



**NOTICE OF MEETING
OF THE
PLEASANT GROVE CITY COUNCIL**

Please note date change.

Notice is hereby given that the Pleasant Grove City Council will hold a **regular meeting at 6:00 p.m. on Wednesday November 6, 2013** in City Council Chambers, 86 East 100 South, Pleasant Grove, Utah. This is a public meeting and anyone interested is invited to attend and comment.

AGENDA

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. OPENING REMARKS**
- 4. APPROVAL OF MEETING'S AGENDA**
- 5. CONSENT ITEMS:** (Consent items are only those which have been discussed beforehand, are non-controversial and do not require further discussion)
 - a.** City Council and Work Session Minutes:
 - City Council Budget Retreat Minutes for February 15 and 16, 2013
 - City Council Minutes for September 17, 2013
 - City Council Work Session Minutes for September 24, 2013 meeting
 - City Council Minutes for October 1, 2013 meeting
 - City Council Work Session Minutes for October 8, 2013 meeting
 - City Council Minutes for October 15, 2013
 - City Council Joint City Council and Planning Commission Minutes for October 22, 2013
 - b.** To consider for approval paid vouchers for (October 23, 2013)
- 6. OPEN SESSION**
- 7. BUSINESS**
 - A. Public Hearing** to consider for adoption an Ordinance (**2013-32**) at the request of Leisure Villas to amend the City Code by adding Article K of Chapter 10-11, "Senior Housing Overlay." *Presenter: Director Young*
 - B. Public Hearing** to consider for adoption an Ordinance (**2013-33**) at the request of Leisure Villas to apply the Senior Housing Overlay on 12.74 acres located at approx. 800 West 220 South in the Grove Zone. (**SAM WHITE'S LANE NEIGHBORHOOD**) *Presenter: Director Young*
 - C.** To consider for approval a 2 lot final plat called Strawberry Creek Villas located at approx. 220 South 800 West in the Grove Zone. (**SAM WHITE'S LANE NEIGHBORHOOD**) *Presenter: Director Young*
 - D.** To consider for approval a site plan for Strawberry Creek Villas located at approx. 220 South 800 West in the Grove Zone. (**SAM WHITE'S LANE NEIGHBORHOOD**) *Presenter: Director Young*

- E.** To consider for approval a 6 lot final plat called Residences at Mayfield Plat 1 at approximately 2200 West 250 South in the Grove Zone – Mixed Housing subdivision. **(SAM WHITE’S LANE NEIGHBORHOOD)** *Presenter: Director Young*
- F.** To consider for approval a 1 lot final plat called Residences at Mayfield Condominiums Plat A at approximately 2200 West 250 South in the Grove Zone – Mixed Housing subdivision. **(SAM WHITE’S LANE NEIGHBORHOOD)**
Presenter: Director Young
- G.** To consider for approval a 1 lot final plat called Residences at Mayfield Plat Condominiums Plat B at approximately 2200 West 250 South in the Grove Zone – Mixed Housing subdivision. **(SAM WHITE’S LANE NEIGHBORHOOD)**
- H.** To consider for of approval a Site Plan for Residences at Mayfield at approximately 2200 West 250 South in the Grove Zone – Mixed Housing subdivision. **(SAM WHITE’S LANE NEIGHBORHOOD)** *Presenter; Director Young*
- I.** To consider for adoption a Resolution **(2013-043)** authorizing the Mayor to sign the Equipment Lease Agreement with Sun Trust Equipment Finance and Leasing Corporation for the purpose of acquiring a VacAll Truck for the Public Works Department and equipment for the Recreation Center and authorizing the Mayor to sign said lease-purchase agreement and authorizing the execution and delivery thereof, and providing for an effective date. *Presenter: Director Lundell*
- J.** Discussion on Recreation Center improvements. *Presenter: Administrator Darrington*

8. NEIGHBORHOOD AND STAFF BUSINESS

9. MAYOR AND COUNCIL BUSINESS

10. SIGNING OF PLATS

11. REVIEW CALENDAR

12. ADJOURN

CERTIFICATE OF POSTING:

I certify that the above notice and agenda was posted in three public places within the Pleasant Grove City limits. Agenda also posted on State (<http://pmn.utah.gov>) and City websites (www.plgrove.org).

Posted by: Kathy T. Kresser, City Recorder

Date: November 1, 2013

Time: 3:00 p.m.

***NOTE:** If you are planning to attend this public meeting and, due to disability need assistance in understanding or participating in the meeting, please notify the City Recorder, 801-785-5045, forty-eight hours in advance of the meeting and we will try to provide whatever assistance may be required.

CITY COUNCIL STAFF REPORT

Meeting Date: November 6, 2013

City Code Text Amendment Adding Section 10-11 Article K, "Senior Housing Overlay"

Public Hearing

APPLICANT:

Pleasant Grove City

ATTACHMENTS:

- Proposed text for
Section 10-11 Article K

REPORT BY:

Ken Young, Community
Development Director

BACKGROUND

In recent months, representatives from the Leisure Villas company, which specializes on senior housing developments, has requested that the City permit the development of two separate senior housing projects in Pleasant Grove. Also, another such project is in conceptual planning phases through the Ivory company. In presentations to the City Council, these projects have been encouraged to proceed.

The Strawberry Creek Villas Site Plan, another item on this meeting's agenda, is planned to take advantage of the provisions of this proposed ordinance amendment. Currently the City does not have zoning code provisions which are specific to senior housing. To accommodate these and other potential projects, a senior housing overlay has been researched and prepared for consideration to be added to the City Code.

ANALYSIS

The purpose of the proposed Senior Housing Overlay is to provide an area for independent senior housing developments that are in proximity to community commercial or civic centers. It is not intended for assisted living, nursing homes, hospitals, clinics, health care centers, or like uses. The intent is to provide adequate accommodation for senior citizens, where the lifestyle is less burdensome and more convenient for residents to perform daily activities.

Two permitted types of senior housing development are included:

1. Single Family Retirement Community with resident ownership of attached single family homes, having amenities but few or no services (with a maximum 8 units per acre).
2. Congregate Housing with a tenant-landlord relationship where the owner/operator has no responsibility to supervise or provide personal care, but which recognizes and accommodates the varied housing and lifestyle needs and desires of seniors by providing some amenities and services (with a maximum 24 units per acre).

The proposed application zones for this new overlay are the Downtown Village, CS-2, C-N and the Grove Zone-MH subdistrict. The Strawberry Creek Villas project is located within the Grove Zone-MH subdistrict. It is anticipated that we will be receiving site plans on the other two projects for review and approval soon.

RECOMMENDATION

Following a review on 10/10/13, the Planning Commission recommends that the City Council **APPROVE** the proposed text amendment to the Pleasant Grove City Code, known as Section 10-11 Article K, "Senior Housing Overlay".

MODEL MOTIONS

Approval – "I move that the City Council **APPROVE** the proposed text amendment to the Pleasant Grove City Code, known as Section 10-11 Article K, "Senior Housing Overlay"; and adopting the exhibits, conditions and findings of the staff report, and as modified by the conditions below:

1. List any additional conditions....

Continue – "I move the Council continue the review of the proposed text amendment to the Pleasant Grove City Code, known as Section 10-11 Article K, "Senior Housing Overlay" until (give date), based on the following findings:"

1. List reasons for tabling the item, and what is to be accomplished prior to the next meeting date...

Denial – "I move the Council deny the proposed text amendment to the Pleasant Grove City Code, known as Section 10-11 Article K, "Senior Housing Overlay" based on the following findings:"

1. List findings for denial...

ARTICLE K, SENIOR HOUSING OVERLAY (SHO) ZONE

1. **Purpose:** The Senior Housing Overlay (SHO) zone is established to provide an area for independent senior housing developments that are in proximity to community commercial or civic centers. This overlay zone is not intended for assisted living, nursing homes, hospitals, clinics, health care centers, or like uses. The intent of this overlay zone is to provide adequate accommodation for senior citizens, where the lifestyle is less burdensome and more convenient for residents to perform daily activities.
2. **Definition:** “Independent Senior Housing” refers to a multi-unit housing development that is restricted to older adults, usually age 55 and over, and shall be defined as housing for the elderly as per Federal Housing guidelines. Included are two permitted types of development:
 - a. Single Family Retirement Community with resident ownership of attached or detached single family homes, having amenities but few or no services, and
 - b. Congregate Housing with units that have a tenant-landlord relationship or that are individually owned, accommodating the varied housing and lifestyle needs and desires of seniors by providing some amenities and services.
3. **Applicable Zones:** The SHO zone may be applied onto properties within the following zones: Downtown Village, CS-2, C-N and the Grove Zone - Mixed Housing subdistrict.
4. **Density And Area Requirements:**
 - a. Maximum Density.
 - i. Single family retirement communities shall have a maximum density of 8 dwelling units per acre.
 - ii. Congregate housing developments shall have a maximum density of 24 dwelling units per acre. In mixed-use developments, density shall be calculated using only the immediate acreage of buildings, parking, landscaped areas and roadways specifically associated with the housing development.
 - b. Parcel Size. Congregate housing developments shall be limited to a total parcel size of not more than 8 acres.
5. **Setback Requirements.**
 - a. Minimum setbacks for single family retirement communities shall be the same as those found within the underlying zone. Variations to these requirements may be approved by the Planning Commission, upon the positive recommendation of the Design Review Board, based on a well-designed site plan.
 - b. The minimum building setback for congregate housing development buildings is twenty five feet (25') from rear and side property lines and forty feet (40') from street frontages.
6. **Accessory Buildings.** Allowable accessory buildings and facilities include free standing club facilities for member use; garage structures, carports, and sheds; pools and jacuzzis; recreation facilities such as game rooms, fitness facilities, basketball courts, tennis courts, and similar structures. Other structures may be approved by the Planning Commission, upon the positive recommendation of the Design Review Board.
7. **Building Height.** The maximum height for all buildings and structures in the SHO zone shall be the same as found within the underlying zone.
8. **Landscaping:** Landscaping requirements shall be the same as found within the underlying zone. Variations may be approved by the Planning Commission, upon the

positive recommendation of the Design Review Board.

9. Open Space:

- a. Senior housing developments with a density of more than 8 units per acre (whether a stand-alone project or part of a mixed use development) shall provide a minimum of thirty percent (30%) of the net developable site area for open space. At least seventy five percent (75%) of that open space must be usable, contiguous open space, available for recreational uses not located within required buffer areas. Open space may include parks, walkways, natural areas, landscaped areas and usable wetland areas. Open space may not include leftover space between buildings, or narrow space under ten feet (10') in width that is immediately adjacent to buildings, where the space is between the building and parking areas, drive aisles or inner-development roads.
- b. Senior housing developments with a density of less than 8 units per acre shall include a mix of useable, contiguous open space and amenities for social activities. It is the developer's responsibility to show that the mix of open space and amenities provided shall be a beneficial part of a well-designed site plan.

10. Parking:

- a. Two and one half (2.5) parking stalls shall be required for each single family attached residential unit.
- b. One and one fourth (1.25) parking stalls shall be required for each congregate type residential unit.

11. RV Storage: An independent senior housing development may provide recreational vehicle and/or boat storage areas for up to 20% percent of dwelling units within the development. Storage areas shall be fenced from neighboring properties by a minimum eight-foot solid masonry wall. RVs, motor homes, trailers and boats stored on the property shall not be used as a residence.

12. Occupancy Restrictions: The units are intended for, and to be occupied by, at least one person fifty-five (55) years of age or older per unit. However, a unit may be occupied by the surviving member(s) of a household, regardless of age, if the fifty-five (55) years of age or older qualifying person has passed away, provided the surviving member(s) was a resident of the unit at the time of that qualifying person's death.

13. Architectural Design: The architectural design of an independent senior housing development shall comply with architectural design guidelines as established in the zone where the facility is proposed. An exception to this requirement may be approved by the Planning Commission, upon the positive recommendation of the Design Review Board, based on a well-designed, architecturally pleasing site plan.

14. Site Plan Required: An application for an independent senior housing development pursuant to this chapter shall be accompanied by a site plan. Site plans for independent senior housing developments shall be reviewed for approval by the Planning Commission and the City Council. Upon prior recommendation of the Planning Commission, the City Council may set other reasonable conditions for any development which it feels will further the intent of this chapter.

15. Code Compliance: The development shall meet all city and state building, safety and health laws and regulations applicable to other dwellings in the zone. Further, the facility shall meet all state and federal laws which apply to structures and facilities used by senior people.

ORDINANCE NO. 2013-32

AN ORDINANCE OF PLEASANT GROVE CITY, UTAH COUNTY, UTAH; ADDING ARTICLE K TO CHAPTER 10, TITLE 11, OF THE PLEASANT GROVE CITY CODE; ESTABLISHING PROVISIONS FOR THE SENIOR HOUSING OVERLAY; LEISURE VILLAS (APPLICANT)

WHEREAS, the applicant has requested a zoning overlay that will allow for independent senior housing developments; and

WHEREAS, the City has determined a need for providing additional development opportunities for senior housing projects in Pleasant Grove; and

WHEREAS, on October 10, 2013 the Pleasant Grove City Planning Commission held a public hearing to consider the amendment adding the Senior Housing Overlay to the Pleasant Grove City Municipal Code; and

WHEREAS, at its public hearing the Planning Commission decided that the requested amendment adding the Senior Housing Overlay to the Pleasant Grove Municipal Code are in the public's interest and consistent with the goals and policies of the General Plan; and

WHEREAS, the Pleasant Grove Planning Commission recommended to the Pleasant Grove City Council that the amendment adding the Senior Housing Overlay to the Pleasant Grove Municipal Code be approved; and

WHEREAS, on November 6, 2013 the Pleasant Grove City Council held a public hearing to consider the request; and

WHEREAS, at its meeting the Pleasant Grove City Council was satisfied that the amendment to the Pleasant Grove Municipal Code is in the best interest of the public and consistent with the goals and policies of the General Plan.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Pleasant Grove City, Utah County, State of Utah, as follows:

SECTION 1: Article K of Chapter 10-11 of the Pleasant Grove Municipal Code is hereby added to read as follows:

ARTICLE K, SENIOR HOUSING OVERLAY (SHO) ZONE

- 1. Purpose:** The Senior Housing Overlay (SHO) zone is established to provide an area for independent senior housing developments that are in proximity to community commercial or civic centers. This overlay zone is not intended for assisted living, nursing homes, hospitals, clinics, health care centers, or like uses. The intent of this overlay zone is to provide adequate accommodation for senior citizens, where the lifestyle is less burdensome and more convenient for residents to perform daily activities.
- 2. Definition:** “Independent Senior Housing” refers to a multi-unit housing development that is restricted to older adults, usually age 55 and over, and shall be defined as housing for the elderly as per Federal Housing guidelines. Included are two permitted types of development:
 - a. Single Family Retirement Community** with resident ownership of attached or detached single family homes, having amenities but few or no services, and
 - b. Congregate Housing** with units that have a tenant-landlord relationship or that are individually owned, accommodating the varied housing and lifestyle needs and desires of seniors by providing some amenities and services.
- 3. Applicable Zones:** The SHO zone may be applied onto properties within the following zones: Downtown Village, CS-2, C-N and the Grove Zone - Mixed Housing subdistrict.
- 4. Density And Area Requirements:**
 - a. Maximum Density.**
 - i.** Single family retirement communities shall have a maximum density of 8 dwelling units per acre.
 - ii.** Congregate housing developments shall have a maximum density of 24 dwelling units per acre. In mixed-use developments, density shall be calculated using only the immediate acreage of buildings, parking, landscaped areas and roadways specifically associated with the housing development.
 - b. Parcel Size.** Congregate housing developments shall be limited to a total parcel size of not more than 8 acres.
- 5. Setback Requirements.**
 - a.** Minimum setbacks for single family retirement communities shall be the same as those found within the underlying zone. Variations to these requirements may be approved by the Planning Commission, upon the positive recommendation of the Design Review Board, based on a well-designed site plan.
 - b.** The minimum building setback for congregate housing development buildings is twenty five feet (25') from rear and side property lines and forty feet (40') from street frontages.
- 6. Accessory Buildings.** Allowable accessory buildings and facilities include free standing club facilities for member use; garage structures, carports, and sheds; pools and jacuzzis; recreation facilities such as game rooms, fitness facilities, basketball courts, tennis courts,

and similar structures. Other structures may be approved by the Planning Commission, upon the positive recommendation of the Design Review Board.

7. Building Height. The maximum height for all buildings and structures in the SHO zone shall be the same as found within the underlying zone.

8. Landscaping: Landscaping requirements shall be the same as found within the underlying zone. Variations may be approved by the Planning Commission, upon the positive recommendation of the Design Review Board.

9. Open Space:

- a. Senior housing developments with a density of more than 8 units per acre (whether a stand-alone project or part of a mixed use development) shall provide a minimum of thirty percent (30%) of the net developable site area for open space. At least seventy five percent (75%) of that open space must be usable, contiguous open space, available for recreational uses not located within required buffer areas. Open space may include parks, walkways, natural areas, landscaped areas and usable wetland areas. Open space may not include leftover space between buildings, or narrow space under ten feet (10') in width that is immediately adjacent to buildings, where the space is between the building and parking areas, drive aisles or inner-development roads.
- b. Senior housing developments with a density of less than 8 units per acre shall include a mix of useable, contiguous open space and amenities for social activities. It is the developer's responsibility to show that the mix of open space and amenities provided shall be a beneficial part of a well-designed site plan.

10. Parking:

- a. Two and one half (2.5) parking stalls shall be required for each single family attached residential unit.
- b. One and one fourth (1.25) parking stalls shall be required for each congregate type residential unit.

11. RV Storage: An independent senior housing development may provide recreational vehicle and/or boat storage areas for up to 20% percent of dwelling units within the development. Storage areas shall be fenced from neighboring properties by a minimum eight-foot solid masonry wall. RVs, motor homes, trailers and boats stored on the property shall not be used as a residence.

12. Occupancy Restrictions: The units are intended for, and to be occupied by, at least one person fifty-five (55) years of age or older per unit. However, a unit may be occupied by the surviving member(s) of a household, regardless of age, if the fifty-five (55) years of age or older qualifying person has passed away, provided the surviving member(s) was a resident of the unit at the time of that qualifying person's death.

13. Architectural Design: The architectural design of an independent senior housing development shall comply with architectural design guidelines as established in the zone

where the facility is proposed. An exception to this requirement may be approved by the Planning Commission, upon the positive recommendation of the Design Review Board, based on a well-designed, architecturally pleasing site plan.

14. Site Plan Required: An application for an independent senior housing development pursuant to this chapter shall be accompanied by a site plan. Site plans for independent senior housing developments shall be reviewed for approval by the Planning Commission and the City Council. Upon prior recommendation of the Planning Commission, the City Council may set other reasonable conditions for any development which it feels will further the intent of this chapter.

15. Code Compliance: The development shall meet all city and state building, safety and health laws and regulations applicable to other dwellings in the zone. Further, the facility shall meet all state and federal laws which apply to structures and facilities used by senior people.

SECTION 2: SEVERABILITY. The sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable. If any such section, paragraph, sentence, clause, or phrase shall be declared invalid or unconstitutional by the valid judgment or decree of a Court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any of the remaining sections, paragraphs, sentences, clauses, or phases of this Ordinance.

SECTION 3: EFFECTIVE DATE. This ordinance shall take effect immediately upon its passage and shall be posted or published as required by law.

SECTION 4: APPROVED AND ADOPTED AND MADE EFFECTIVE by the City Council of Pleasant Grove City, Utah County, Utah, this 6th day of November, 2013.

ATTEST:

Bruce W. Call, Mayor

Kathy T. Kresser, CMC
City Recorder

(SEAL)

CITY COUNCIL STAFF REPORT

Meeting Date: November 6, 2013

**Rezone -
Application of the
"Senior Housing
Overlay" on 12.74
acres of property
located at 800 West
220 South**

Public Hearing

APPLICANT:

Dave Erickson, Leisure
Villas

ATTACHMENTS:

- Zoning map
- Aerial map

REPORT BY:

Ken Young, Community
Development Director

BACKGROUND

The applicant, Dave Erickson of Leisure Villas has requested that the Senior Housing Overlay, once adopted as code, be applied on to 12.74 acres of property, formerly owned by the Westroc company, located at 800 West 220 South. Another item on this meeting's agenda is a request for a site plan on this property of a 76 unit senior housing project called Strawberry Creek Villas.

ANALYSIS

The Senior Housing Overlay will have specific application in certain zones where senior housing development is anticipated. The Overlay allows for the single family senior community type of development as submitted by the applicant.

RECOMMENDATION

The Planning Commission reviewed this request on 10/10/13 and recommend that the City Council **APPROVE** the application of the new Senior Housing Overlay on the 12.74 acres of property identified on the attached maps.

MODEL MOTIONS

Approval – “I move that the City Council **APPROVE** the application of the new Senior Housing Overlay on the 12.74 acres of property at 800 West 220 South as identified on the attached maps, and adopting the exhibits, conditions and findings of the staff report, and as modified by the conditions below:

1. List any additional conditions....

Continue – “I move the Council continue the review of the proposed application of the new Senior Housing Overlay on the 12.74 acres of property as identified on the attached maps, until (give date), based on the following findings:”

1. List reasons for tabling the item, and what is to be accomplished prior to the next meeting date...

Denial – “I move the Council recommend that the City Council deny the proposed application of the new Senior Housing Overlay on the 12.74 acres on the 12.74 acres of property as identified on the attached maps, based on the following findings:”

1. List findings for recommending denial...



ORDINANCE No. 2013-33

AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP OF PLEASANT GROVE CITY, APPLYING THE SENIOR HOUSING OVERLAY ON APPROXIMATELY 12.74 ACRES OF PROPERTY LOCATED AT APPROXIMATELY 800 WEST 220 SOUTH. LEISURE VILLAS, APPLICANT.

WHEREAS, the applicant has requested a zoning overlay that will allow for senior housing development opportunities in certain zones; and

WHEREAS, the City has determined a need for additional senior housing opportunities in the community; and

WHEREAS, on November 6, 2013, the City Council approved an amendment to the City Code establishing the provisions of the Senior Housing Overlay; and

WHEREAS, on November 14, 2013 the Pleasant Grove City Planning Commission held a public hearing to consider the request to apply the Senior Housing Overlay on approximately 12.74 acres of property located at 800 West 220 South; and

WHEREAS, at its public hearing the Planning Commission found that the overlay application request was in the public's interest and is consistent with the written goals and policies of the General Plan; and

WHEREAS, the Pleasant Grove Planning Commission recommended to the Pleasant Grove City Council that the overlay application request be approved; and

WHEREAS, on November 6, 2013 the Pleasant Grove City Council held a public hearing to consider the request; and

WHEREAS, at its meeting the Pleasant Grove City Council was satisfied that the overlay application request was in the best interest of the public and was consistent with the written goals and policies of the General Plan; and

WHEREAS, at its meeting the Pleasant Grove City Council approved the request that the Senior Housing Overlay be applied on approximately 12.74 acres of property located at 800 West 220 South.

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLEASANT GROVE:

SECTION 1: The approximately 12.74 acres of property currently owned by Westroc Inc., located at approximately 800 South 220 West in the City of Pleasant Grove is hereby applied with the Senior Housing Overlay; said property being described as shown on Exhibit "A".

SECTION 2: The Official Zoning Map showing such changes shall be filed with the Pleasant Grove City Recorder.

SECTION 3. The Pleasant Grove City Council finds that the overlay application is in the best interest of the public and is consistent with the written goals and policies of the City's General Plan.

SECTION 4. SEVERABILITY. The sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable. If any such section, paragraph, sentence, clause, or phrase shall be

declared invalid or unconstitutional by the valid judgment or decree of a Court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any of the remaining sections, paragraphs, sentences, clauses, or phases of this Ordinance.

SECTION 5: This ordinance shall take effect immediately upon its passage and shall be posted or published as required by law.

SECTION 6. APPROVED AND ADOPTED AND MADE EFFECTIVE by the City Council or Pleasant Grove City, State of Utah, on this 6th day of November, 2013.

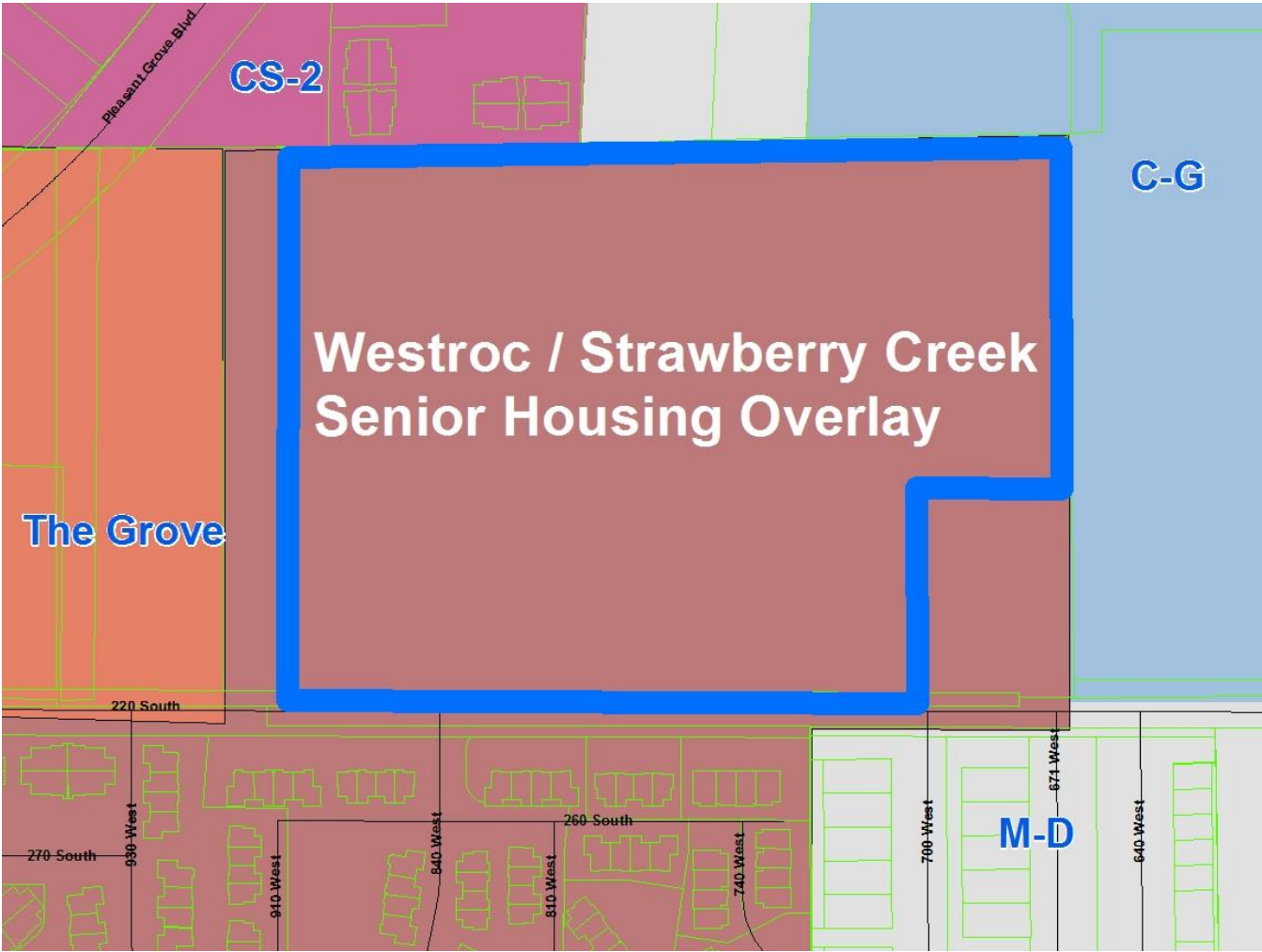
Bruce Call, Mayor

ATTEST:

Kathy T. Kresser, CMC
City Recorder

(SEAL)

Exhibit “A”



CITY COUNCIL STAFF REPORT

Meeting Date: November 6, 2013

Strawberry Creek Villas Final Plat and Site Plan

Public Hearing

APPLICANT:

Dave Erickson for
Leisure Villas

ADDRESS:

220 South 800 West

ZONE:

The Grove-Mixed
Housing, proposed Senior
Housing Overlay

GENERAL PLAN:

The Grove

ATTACHMENTS:

- Zoning Map
- Aerial Map
- Preliminary Plat
- Site Plan
- Landscape Plan
- Building Elevations
- Photo of building

REPORT BY:

Ken Young, Community
Development Director

Marcus Wager, Planning
Intern

BACKGROUND

The applicant is requesting approval of a 2-lot final plat known as Strawberry Creek Villas. Also, the applicant is seeking approval of a site plan that consists of 76 senior housing units. This property is located approximately at 220 South 800 West in the Grove-Mixed Housing Zone, with a General Plan designation of The Grove.

ANALYSIS

Final Plat

This plat shows a 2 lot subdivision on the lot, with lot 1 having 12.74 acres and lot 2 having .97 acres. There are 2 buildings of the Westroc Company on lot 2 that are proposed to remain on site. Lot 1 is where 76 attached single-family senior housing units will be built.

Senior Housing Overlay

This site plan was prepared with the intent to meet the provisions and abilities provided for within the Senior Housing Overlay, which provides for the approval of variations to underlying zoning requirements, including density, setbacks, landscaping, open space and parking.

Site Plan

This site plan consists of 19 residential buildings, having 76 units, with a clubhouse and swimming pool as amenities. It shows all of the necessary street and stop signage needed within the complex. Lot 2 is separated by a fence and a gate for emergency access only.

This plan fits with the new senior housing overlay ordinance, however it does need to show open space with hash marks for calculations. The landscaping plan needs to show a legend of how many of what type of trees are shown. Evergreens need to be at least 7 ft., deciduous/shade trees need to be at least 2" calipers, and shrubs need to be at least 5 gal.

Staff will present at the meeting a plan for how Leisure Villas will participate in the landscaping of a portion the City Park property to

the west of the project, in consideration of the need for open space.

RECOMMENDATION

Following a review of the Design Review Board on 10/9/13, the Planning Commission approved the preliminary plat and recommended approval for the final plat and site plan for Strawberry Creek Villas on October 10, 2013, including the following condition(s), including variations that are permitted under the Senior Housing Overlay:

1. The following setbacks are acceptable:
 - a. 15 ft. setbacks from side and rear property lines
 - b. 20 ft. setbacks from the front property line (220 South)
2. Landscaping variations acceptable:
 - a. Evergreen trees may be reduced to 20% of all the trees on project, with 20' width between trees.
 - b. Use columnar trees at the entry.
 - c. Street trees on 220 South may have a reduced caliper, from 3" to 2", planted 10' to 30' behind the sidewalk.
3. Open space within the project is acceptable as it includes the landscaping of the triangle creek area on the City property.
4. Architectural design as presented is acceptable.
5. Miscellaneous site plan recommendations:
 - a. Light poles: Submit a design with four light poles to match those on PG Main Street. Location of street lights acceptable as shown on page UT01.
 - b. Fencing: 3' solid vinyl with 1' lattice fence on top on the west and south sides, with a rock pillar to be spaced at least every 35' to 40'. Precast concrete fence at 6' height on the north and east sides of the project.
 - c. Back units in the corners will be the smaller sized plan to allow more space adjacent to the 12' driveways.
6. All Final Planning, Engineering, and Fire Department requirements are met.

NOTE: *Two separate motions will be required for the Final Plat and Site Plan.*

MODEL MOTIONS:

Approval – “I move the Council approve the (final plat) / (site plan) for Strawberry Creek Villas, and adopting the exhibits, conditions and findings of the staff report, and as modified by the conditions below:

1. List any additional conditions....

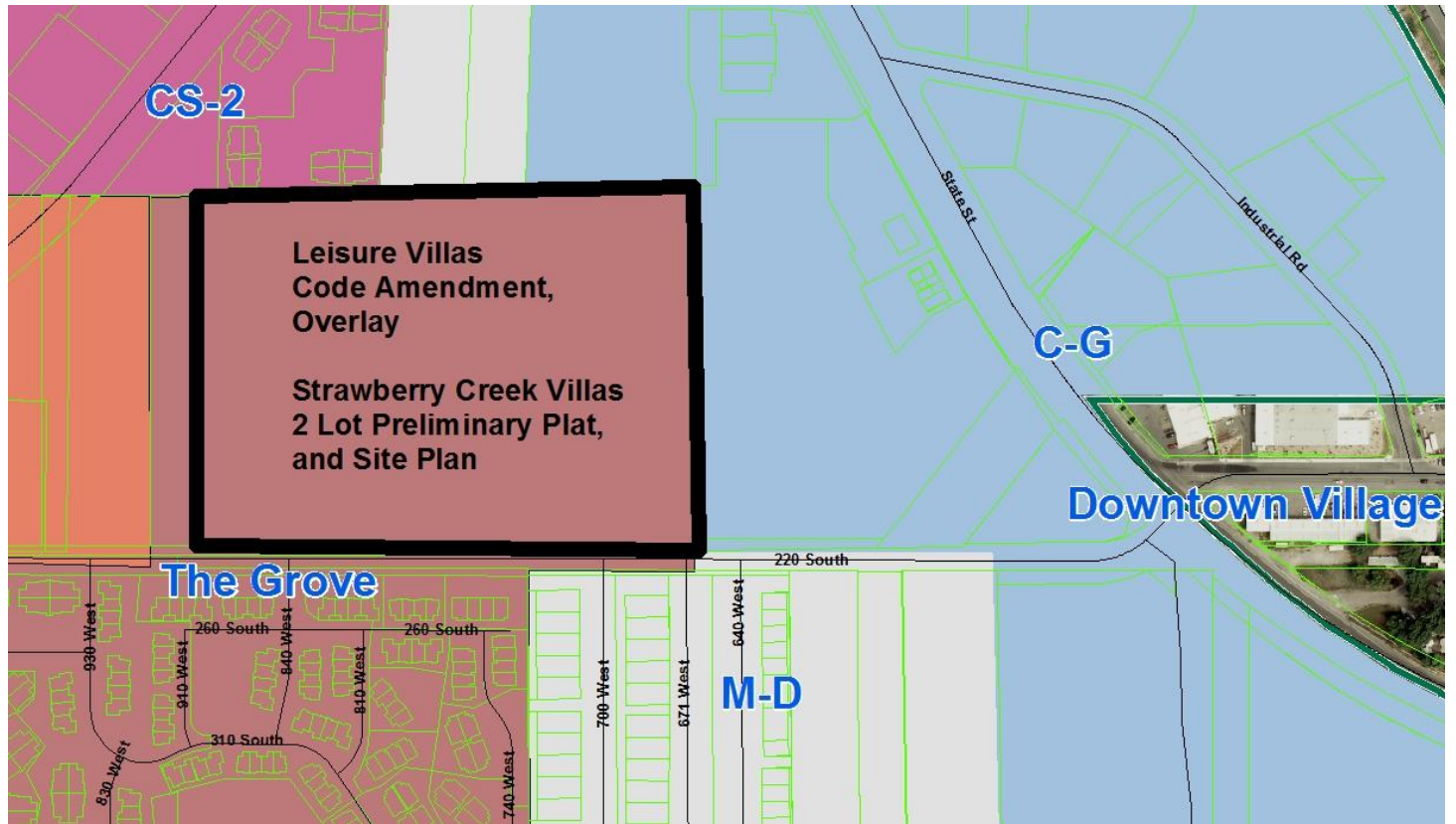
Continue – “I move the Council continue the review of the (final plat) / (site plan) for Strawberry Creek Villas (give date), based on the following findings:”

1. List reasons for tabling the item, and what is to be accomplished prior to the next meeting date...

Denial – “I move the Council deny the (final plat) / (site plan) for Strawberry Creek Villas based on the following findings:”

1. List findings for denial...

ZONING MAP



AERIAL MAP



FINAL PLAT

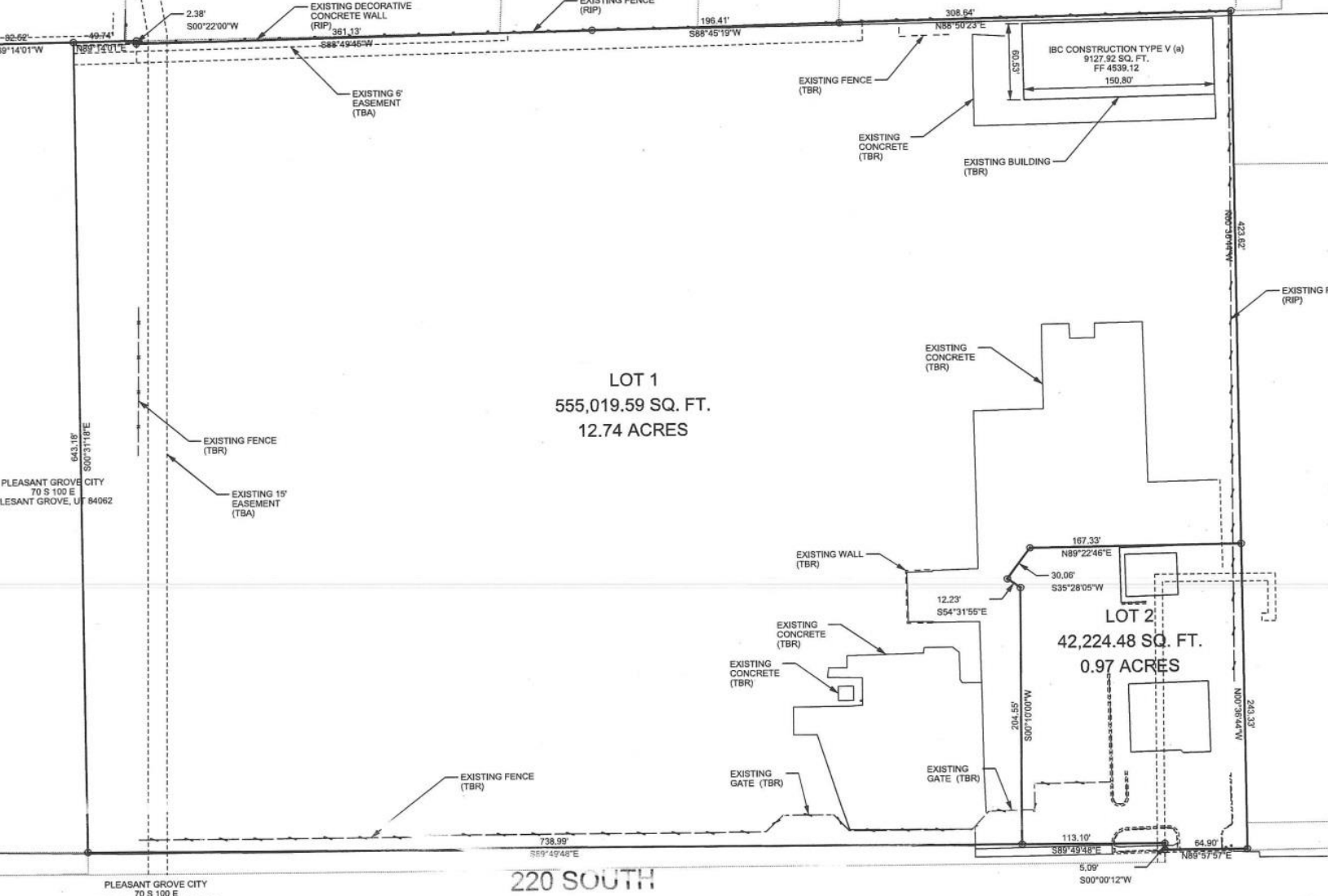
SH START HOMES LLC
841 JONATHAN RD.
HIGHLAND, UT 84003

COUNTRYSIDE DEVELOPMENT LLC
1882 N 1120 W
PROVO, UT 84604

DESERET STORAGE LLC
135 PLEASANT GROVE BLVD.
PLEASANT GROVE, UT 84062

RICHMITCH PROPERTIES LLC
695 W STATE RD
PLEASANT GROVE, UT 84062

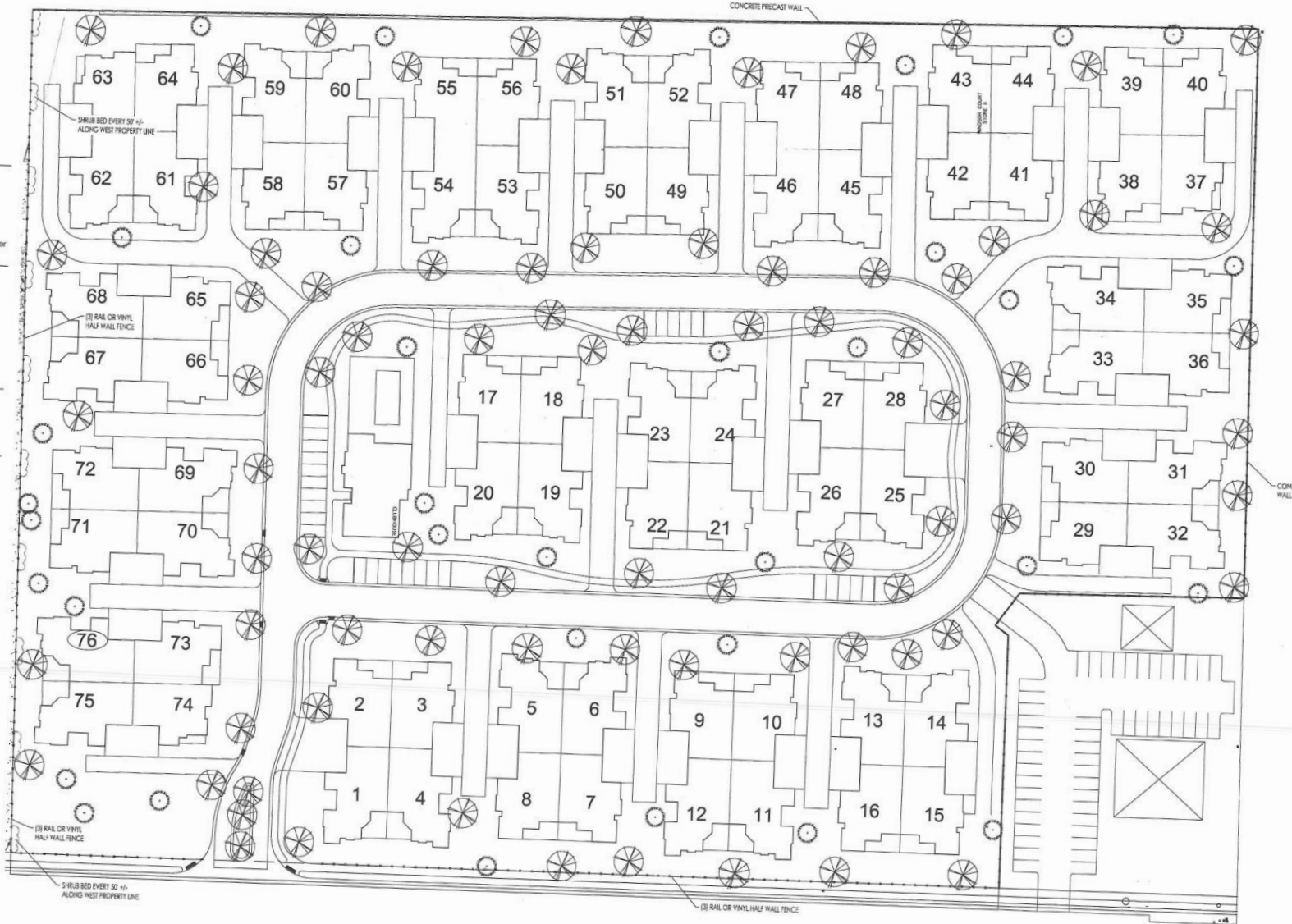
PHILLIP M HARDISON FAMILY PROTECTION LLC
1073 N 2200 W
LAYTON, UT 84041



SITE PLAN

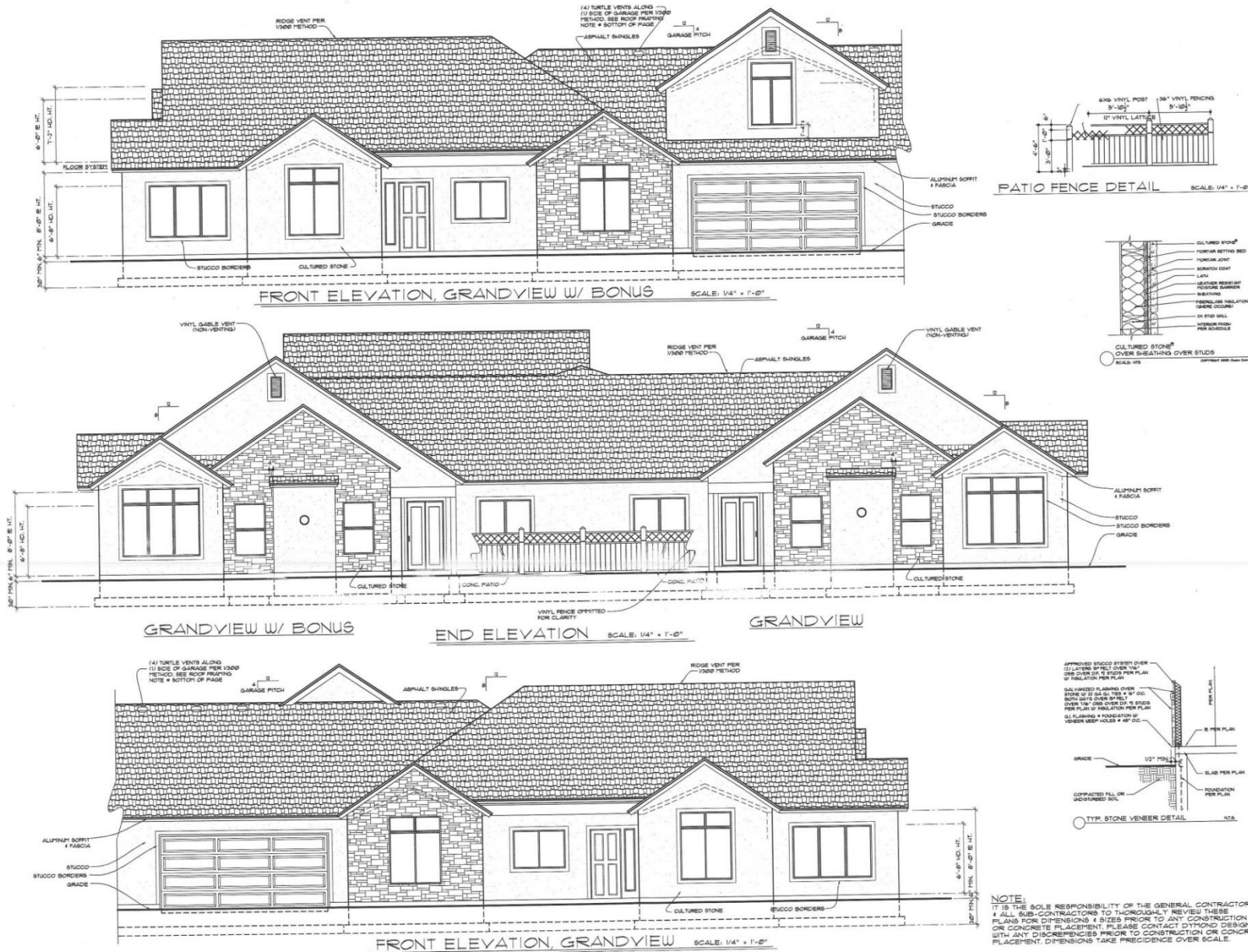


LANDSCAPING PLAN



A PRELIMINARY PLANTING PLAN
PLAN AND ALL COMPONENTS ARE CONCEPTUAL ONLY AND SCALE 1"=40'-0" (FULL)
MAY BE CHANGED ACCORDING TO OWNER'S DISCRETION. SCALE 1"=80'-0" (HALF)







CITY COUNCIL STAFF REPORT

Meeting Date: November 6, 2013

Residences at Mayfield Plat A, Condominiums Plat A, Condominiums Plat B, and Site Plan

Public Hearing

APPLICANT:

Ernest Willmore with ICO

ADDRESS:

2200 West 250 South

ZONE:

The Grove-
Mixed Housing

GENERAL PLAN:

The Grove

ATTACHMENTS:

- Zoning Map
- Aerial Map
- Preliminary Plats
- Site Plan
- Landscape Plan

REPORT BY:

Ken Young, Community
Development Director

Marcus Wager, Planning
Intern

BACKGROUND

The applicant is requesting approval of three final plats and a site plan for the proposed development called Residences at Mayfield Plat, located at approximately 2200 West 250 South in The Grove Zone - Mixed Housing subdistrict, with a General Plan designation of The Grove.

ANALYSIS

Plat 1:

This plat brings together all of the current parcels into 6 lots that will make the land a workable space to build for the applicant. Parcels A, B, and C will have the apartments built on them, Parcel D will be a future commercial site, Parcel E is a private entry drive to the west, and Parcel F is a lot for future development.

Condominiums Plat A and B:

Condominiums Plat A is located on Parcel B and condominiums Plat B is located on Parcel C. This is just making a different designation on these two lots as opposed to regular apartments on Parcel A.

Site Plan:

This site will have a total of 17 multi-family unit buildings with 214 units in two development areas.

Area "A", comprising 11.23 acres with 10 three-story buildings and 160 units, received vested zoning and density under the prior City Code for this zone when the overall 20-acre Mayfield residential development area site plan was approved in 2012. This area was approved along with the 8.78 acre southern area (below 450 South) at an overall density of 12 units per acre. Currently, the southern area is under development with small lot homes and townhomes.

Area "B" includes the previously planned phase 4 area of the Belle Monet condominiums. This 4.48 acre area has been planned with 7 two-story 8-

plex condominium buildings with a total of 54 units, and planned according to the requirements of the recently revised City Code for this zone. The density for this area is 12 units per acre.

The completion of the Belle Monet Phase 3 area by ICO is anticipated and shown to work in conjunction with this proposed development site plan.

Access: Project access is shown to be at 4 places: 1) 450 South, 2) 2500 East, which is a private driveway, 3) North County Blvd on the northeast corner of Area B, and 4) North County Blvd, at the southeast end of Area B.

The access on the northeast corner is to be a partial road width Full street improvements on the south side with 30 feet of asphalt) in developing 150 South Street. The applicants are requesting approval of this after having demonstrated that the property owner to the north is unwilling to sell property or otherwise participate in the construction of the road at this time.

Parking: Parking in both areas has been planned to meet the City Code with a total of 2.55 units per acre. Area "A" provides 1 covered garage per unit.

Open Space and Landscaping: Open space is provided throughout the project to meet the code requirements. Area "A" meets the required 25% open space with 68% of that being contiguous and useable. Area "B" not only meets, but exceeds the required 30% open space, providing with 80% of that being contiguous and useable. The landscaping planned also meets the requirements.

Amenities: Included with this development are a large 5,548 square foot clubhouse, a swimming pool, a splash pad, two playgrounds, and a dog park.

Building Design: The buildings within the project are designed to meet the architectural and materials requirements of the code, including the theme for the Garden Design District and the required and optional building design features.

One Acre of Commercial: A development agreement dated 9/1/09 was recorded against the Mayfield properties which stipulates that there is one acre of relinquished commercial uses formerly approved as part of the Mayfield project that will need to be replaced in the future development of either Phase 2 or 3. Phase 2 is that area currently under development with

residential units below 450 South. Phase 3 is the area identified as Area "A" in the site plan.

The applicants are requesting that the lots created under Plat 1 be added to the overall Mayfield site plan, increasing the size of the original Phase 3 area. With this they would like to be able to locate the required 1 acre of commercial on Lot D, which has .84 acres plus the area of the adjoining access street 150 South with another .15 acres, making a total of .99 acres.

Lot D provides a better situation for a commercial property, facing North County Boulevard, rather than being tucked in with the residences on 450 South Street where the commercial development was anticipated. The site plan designates the area of this lot as future commercial property.

RECOMMENDATIONS

In their review of the design of the site plan on 10/23/13, the Design Review Board made the following recommendations, which were also forwarded as recommendations of the Planning Commission:

1. 150 South should be planned to have dedicated left and right turn lanes on to North County Blvd. when road/intersection is completed.
2. Provide sidewalk ADA access to all ADA parking stalls.
3. Show the size, height and location of any monument signs on the site plan, or a separate sign permit will be required.
4. Show bicycle parking on the site plan, following the requirements of Section 10-14-19-J.
5. Round the corners of the detention pond to make it look softer.
6. Maximum height for exterior lighting in Area A should follow the maximum of 14' required in Area B.
7. Additional pine trees to be planted, as well as planting a different species rather than the flowering fruit drop trees.
8. The attached document was accepted as evidence of how the design requirements of Section 10-14-12 are being met, including achieving the required optional design features points.

The Planning Commission reviewed and approved the preliminary Plat A, Condominiums Plat A, and Condominiums Plat B on 10/24/13. They recommend that the Council approve the final plats as well as the site plan known as Residences at Mayfield with the following conditions:

1. The approval of the site plan includes the location of the 1 acre of commercial and construction of a partial width of 150 South Street.
2. All Final Planning, Engineering, and Fire Department requirements are met.

MODEL MOTIONS

NOTE: *Four separate motions will be required for the Preliminary Plat, Condominiums Plat A, Condominiums Plat B, and Site Plan.*

Plats Approval –

“I move the Council approve the final plat for

1. Residences at Mayfield Plat A, (or)
2. Residences at Mayfield Condominiums Plat A, (or)
3. Residences at Mayfield Condominiums Plat B,
and adopting the exhibits, conditions and findings of the staff report,
and as modified by the conditions below:
 1. List any additional conditions....

Site Plan Approval –

“I move the City Council approve the site plan for Residences at Mayfield, and adopting the exhibits, conditions and findings of the staff report, and as modified by the conditions below:

1. List any additional conditions....

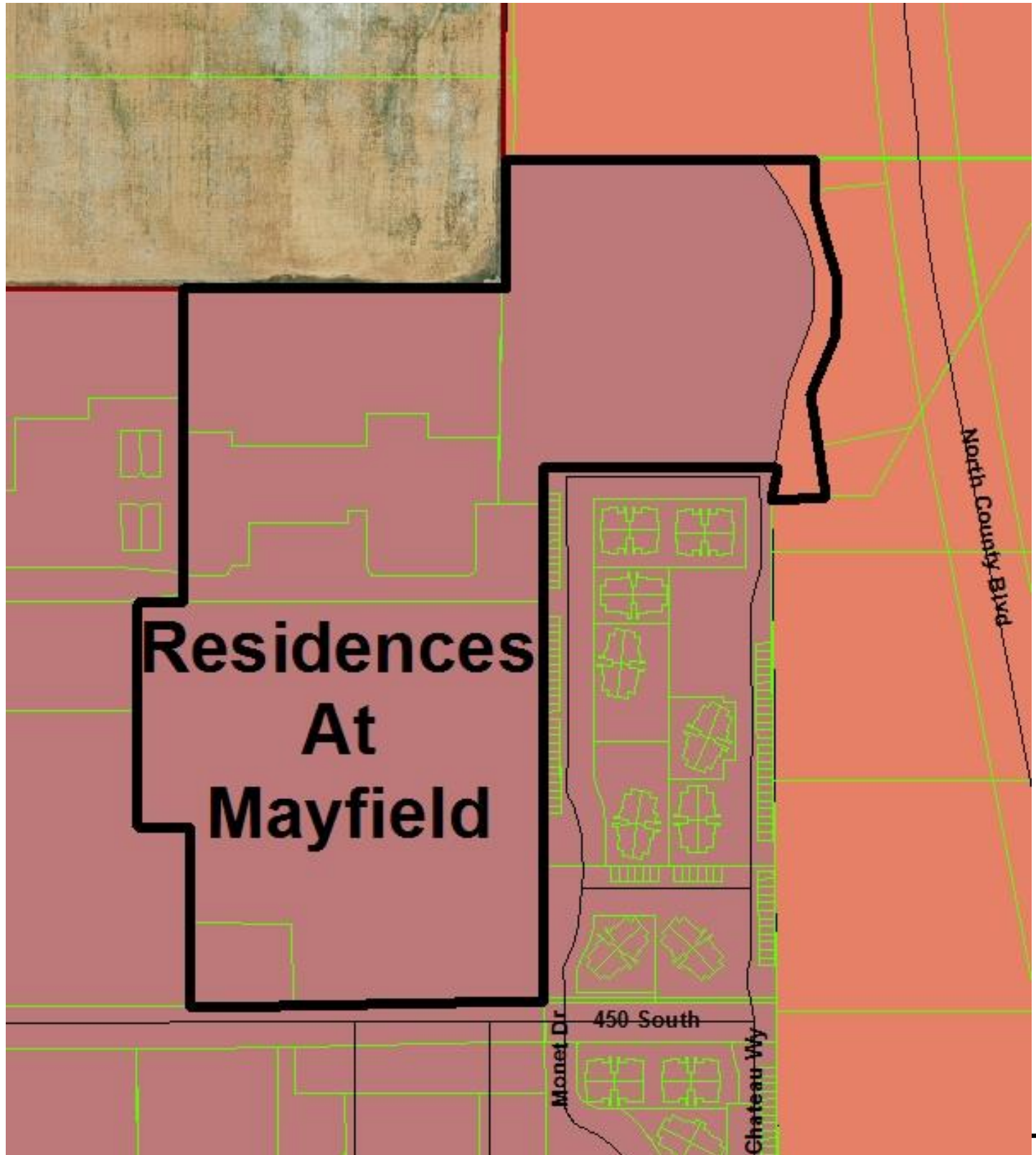
Continue – “I move the Council continue the review of the Residences at Mayfield (preliminary plat A), (condominiums plat A), (condominiums plat B), and (site plan) known as Residences at Mayfield (give date), based on the following findings:”

1. List reasons for tabling the item, and what is to be accomplished prior to the next meeting date...

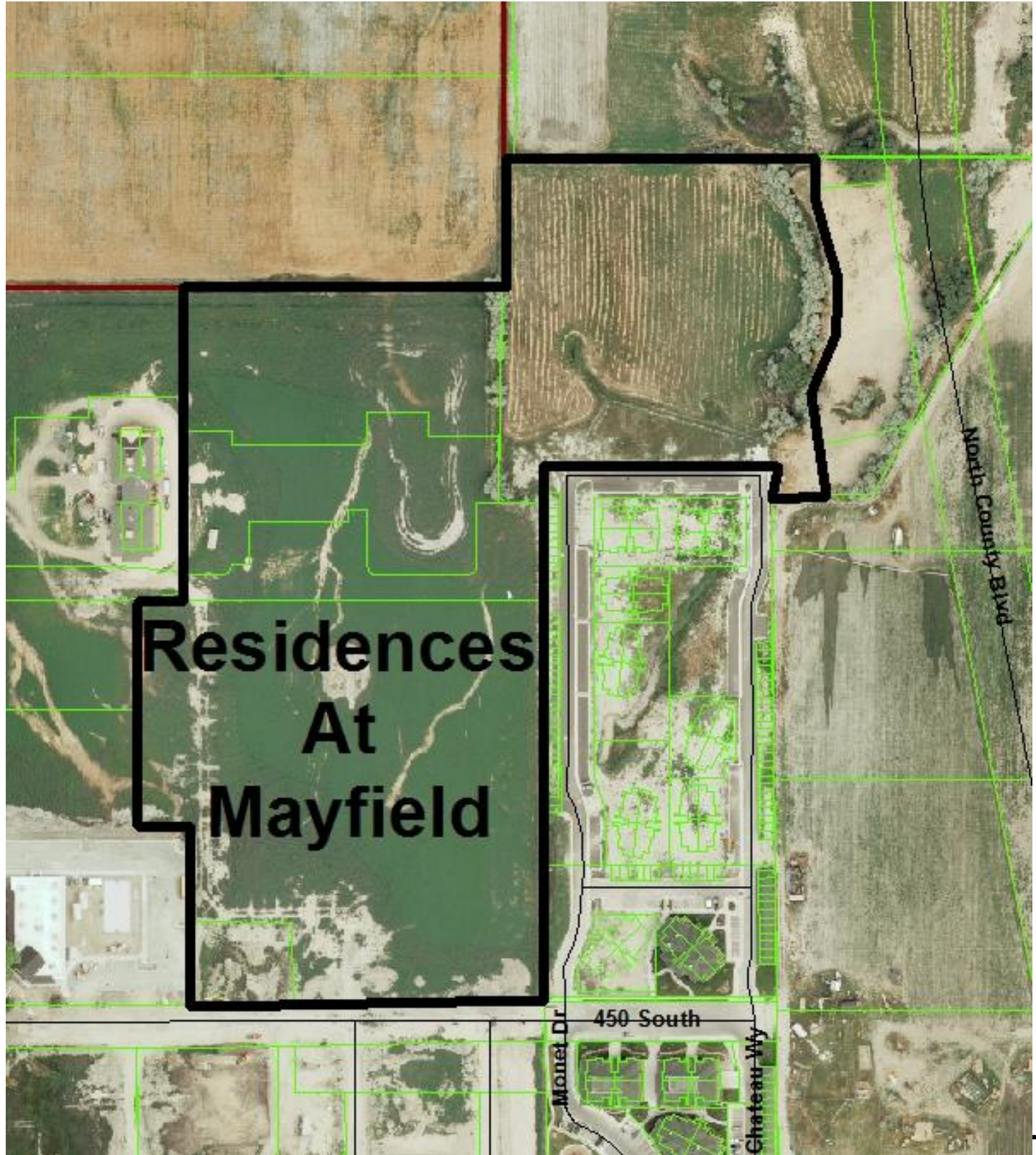
Denial – “I move the Council deny the Residences at Mayfield (preliminary plat A), (condominiums plat A), (condominiums plat B), and (site plan) known as Residences at Mayfield based on the following findings:”

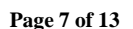
1. List findings for denial...

ZONING MAP



AERIAL MAP



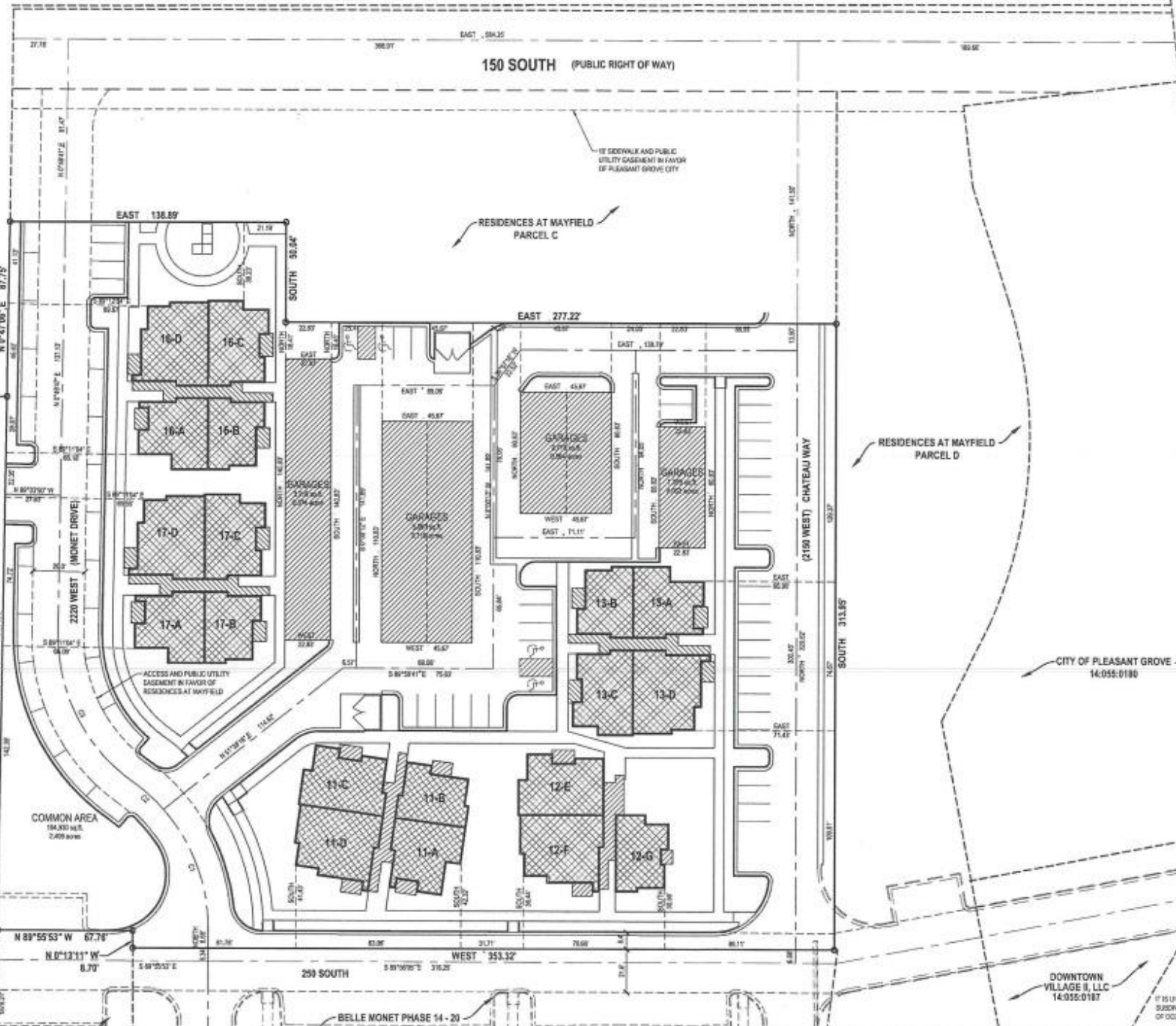


CONDITIONS OF APPROVAL

RESIDENCES AT MAYFIELD CONDOMINIUMS PLAT "A"
AMENDING PARCEL B OF RESIDENCES AT MAYFIELD PLAT "A"

LOCATED IN THE NORTHWEST QUARTER OF SECTION 30,
TOWNSHIP 5 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN
PLEASANT GROVE, UTAH COUNTY, UTAH

GLEN M SMITH PROPERTIES, LC
14-055-0188



DEVELOPER
ICO MULTIFAMILY HOLDINGS, LLC
976 WOODDAK LANE
MURRAY, UTAH 84117

SHEET 1 OF 2

PROJECT NUMBER: 976
MANAGER: RJS
DRAWN BY: KRW
CHECKED BY: PMH
DATE: 08/14/13

SALT LAKE CITY
43 W. 1000 S., Suite 900
Salt Lake City, UT 84119
Phone: 801.255.0529
Fax: 801.255.4448
WWW.ENSIGNENG.COM

LAYTON
Phone: 801.547.1199

TOOELE
Phone: 435.843.3880

GEDAR CITY
Phone: 435.955.1403

RICHFIELD
Phone: 435.950.2107

APPROVED THIS _____ **DAY OF** _____ **20** _____
BY THE CENTURYLINK COMPANY

APPROVED THIS _____ **DAY OF** _____ **20** _____
BY THE ROCKY MOUNTAIN POWER COMPANY

APPROVED THIS _____ **DAY OF** _____ **20** _____
BY THE PLANNING COMMISSION

APPROVED THIS _____ **DAY OF** _____ **20** _____
BY THE DIRECTOR OF PUBLIC WORKS

CENTURYLINK

ROCKY MOUNTAIN POWER

PLANNING COMMISSION

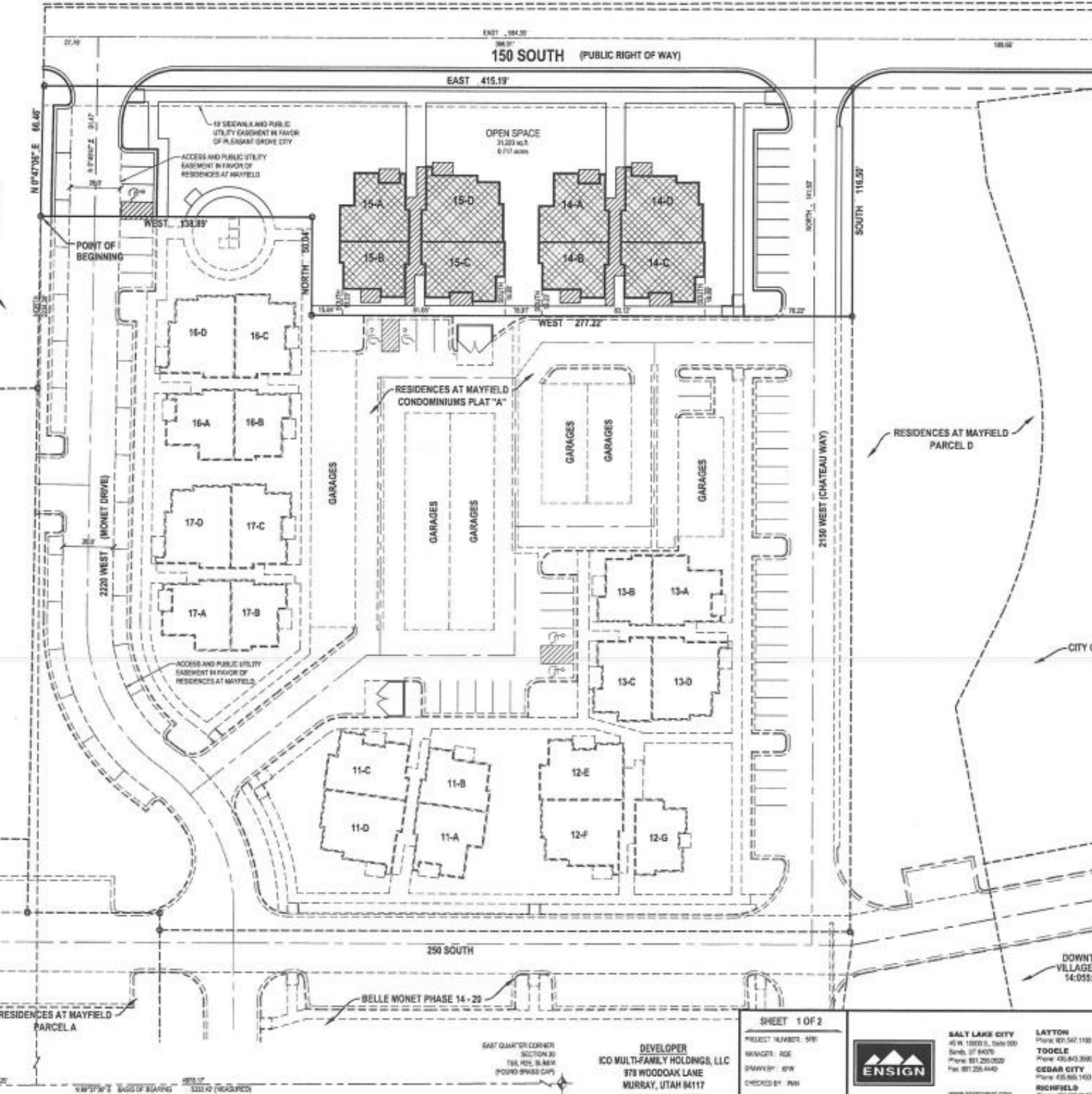
**SEWER / STORM DRAIN
CULINARY WATER PRESSURE IRRIGATION**

RESIDENCES AT MAYFIELD CONDOMINIUMS PLAT "B"

AMENDING PARCEL C OF RESIDENCES AT MAYFIELD PLAT "A"

LOCATED IN THE NORTHWEST QUARTER OF SECTION 38,
TOWNSHIP 5 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN
PLEASANT GROVE, UTAH COUNTY, UTAH

GLEN M SMITH PROPERTIES, LC
14:055.0188



SHEET 1 OF 2

PROJECT NUMBER: 578
MANAGER: AGE
DRAWN BY: B/W
CHECKED BY: P/W
DATE: 12/14/13



SALT LAKE CITY
45 W. 1000 S., Suite 300
Salt Lake City, UT 84119
Phone: 801.225.0020
Fax: 801.225.4440

LAYTON
Phone: 801.547.1190
TOOELE
Phone: 435.843.3990
CEDAR CITY
Phone: 435.860.1400
RICHFIELD
Phone: 435.380.0787

DEVELOPER
ICO MULTI-FAMILY HOLDINGS, LLC
973 WOODDAK LANE
MURRAY, UTAH 84117

EAST QUARTER CORNER
SECTION 38
T8S, R2E, S44W
(FOUR CORNER CHAIN)

CENTURYLINK

APPROVED THIS _____ DAY OF _____, 20____
BY THE CENTURYLINK COMPANY.

SIGNATURE

TITLE

ROCKY MOUNTAIN POWER

APPROVED THIS _____ DAY OF _____, 20____
BY THE ROCKY MOUNTAIN POWER COMPANY.

SIGNATURE

TITLE

PLANNING COMMISSION

APPROVED THIS _____ DAY OF _____, 20____
BY THE PLANNING COMMISSION.

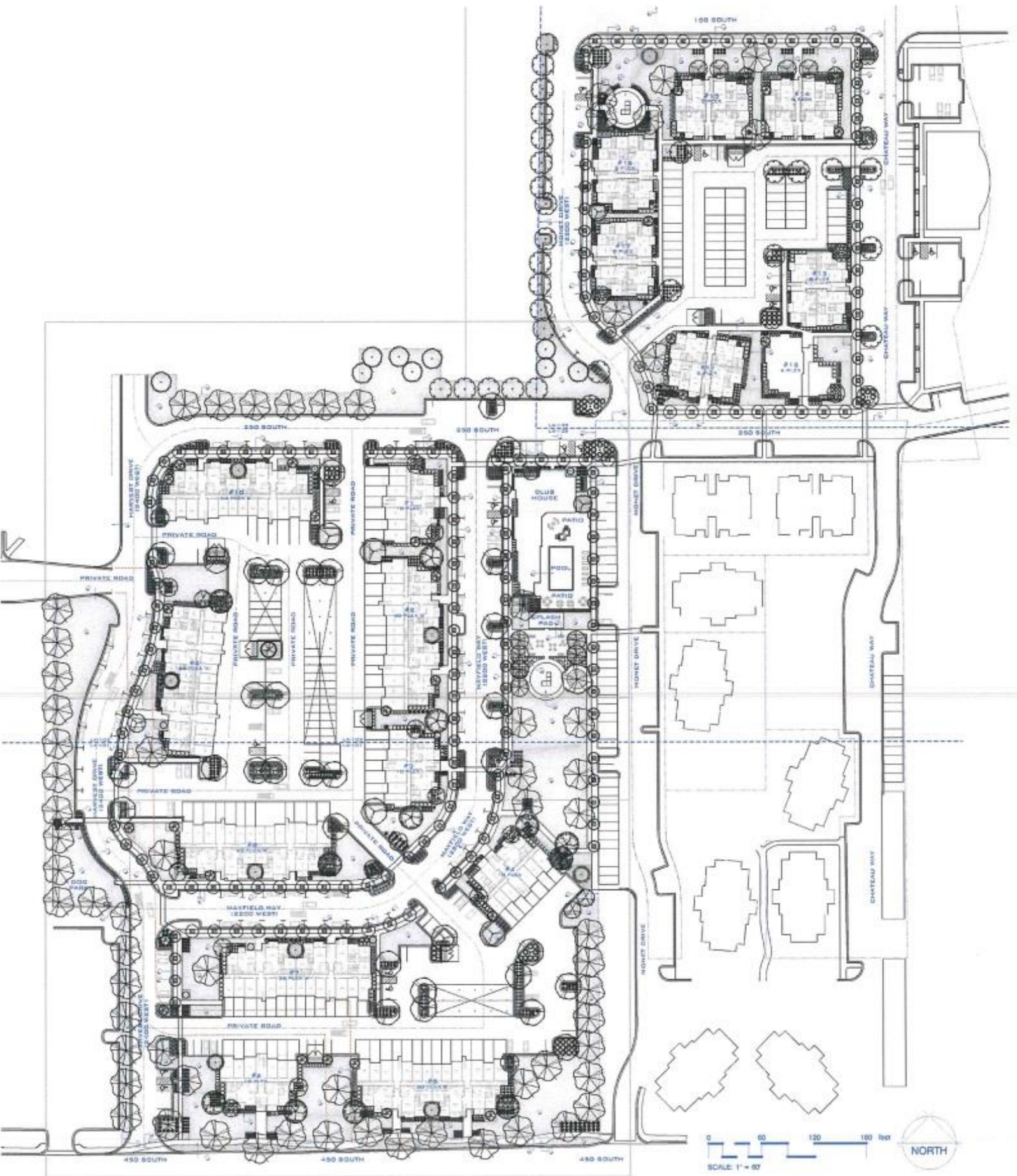
PLANNING COMMISSION CHAIRMAN

DIRECTOR-SECRETARY

SEWER / STORM DRAIN
CULINARY WATER PRESSURE IRRIGATION

APPROVED THIS _____ DAY OF _____, 20____
BY THE DIRECTOR OF PUBLIC WORKS

DIRECTOR OF PUBLIC WORKS





aeurbia
architects and engineers

2875 south decker lake drive, suite 275
salt lake city, utah 84119
phone: 801.742.0436 • fax: 801.575.4456
webpage: www.aeurbia.com

THE RESIDENCES AT MAYFIELD
ICO DEVELOPMENT
250 SOUTH 2280 WEST, PLEASANT GROVE, UT

ARTMENT
t 100 South
UT 84062
) 785-5667
pgcity.org



ae urbia
architects and engineers

2875 south decker lake drive, suite 275
salt lake city, utah 84119
phone: 801.746.0456 • fax: 801.375.6456

THE RESIDENCES AT MAYFIELD
ICO DEVELOPMENT
250 SOUTH 2280 WEST, PLEASANT GROVE, UT



ae urbia
architects and engineers

THE RESIDENCES AT MAYFIELD
ICO DEVELOPMENT
250 SOUTH 2280 WEST, PLEASANT GROVE, UT

| |
|--------------------|
| AE2013.022 |
| Perspective |

Club House



CLUBHOUSE VIEW

ICO Development
value delivered

aeurbia
architects and engineers
1001 W. 1000 S., SUITE 200
SALT LAKE CITY, UTAH 84119
PHONE: 801.466.1111
WWW.AEURBIA.COM

ICO Confidential. Not for distribution or reproduction without expressed, written ICO consent.

THE RESIDENCES AT MAYFIELD
ICO DEVELOPMENT
250 SOUTH 2280 WEST, PLEASANT GROVE, UT

Project Status

| |
|--------------------|
| AE2013.037 |
| RENDERINGS |
| DATE: 24 SEPT 2013 |
| BY: [signature] |
| A1.0 |

RESOLUTION NO. 2013-043

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER LEASE AGREEMENT, EQUIPMENT SCHEDULE NO. 03, AN ESCROW AGREEMENT, AND RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the governing body of **PLEASANT GROVE CITY, UT** (“Lessee”) desires to obtain certain equipment (the “Equipment”) described in Equipment Schedule No. 03 to the Master Lease Agreement (collectively, the “Lease”) with **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, the form of which has been available for review by the governing body of Lessee prior to this meeting; and

WHEREAS, the Equipment is essential for the Lessee to perform its governmental functions; and

WHEREAS, the funds made available under the Lease will be deposited with **SUNTRUST BANK** (the “Escrow Agent”) pursuant to an Escrow Agreement between Lessee and the Escrow Agent (the “Escrow Agreement”) and will be applied to the acquisition of the Equipment in accordance with said Escrow Agreement; and

WHEREAS, Lessee has taken the necessary steps, including those relating to any applicable legal bidding requirements, to arrange for the acquisition of the Equipment; and

WHEREAS, Lessee proposes to enter into the Lease with **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.** and the Escrow Agreement with the Escrow Agent substantially in the forms presented to this meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF LESSEE AS FOLLOWS:

SECTION 1. It is hereby found and determined that the terms of the Lease and the Escrow Agreement (collectively, the “Financing Documents”) in the forms presented to this meeting and incorporated in this resolution are in the best interests of Lessee for the acquisition of the Equipment.

SECTION 2. The Financing Documents and the acquisition and financing of the Equipment under the terms and conditions as described in the Financing Documents are hereby approved. The Mayor of Lessee and any other officer of Lessee who shall have power to execute contracts on behalf of Lessee be, and each of them hereby is, authorized to execute, acknowledge and deliver the Financing Documents with any changes, insertions and omissions therein as may be approved by the officers who execute the Financing Documents, such approval to be conclusively evidenced by such execution and delivery of the Financing Documents. The City Recorder of the Lessee and any other officer of Lessee who shall have power to do so be, and

each of them hereby is, authorized to affix the official seal of Lessee to the Financing Documents and attest the same.

SECTION 3. The proper officers of Lessee be, and each of them hereby is, authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this resolution and the Financing Documents.

SECTION 4. Pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended (the “Code”), Lessee hereby specifically designates the Lease as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code. The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the Lease and Escrow Agreement executed on behalf of Lessee are the same as presented at such meeting of the governing body of Lessee, excepting only such changes, insertions and omissions as shall have been approved by the officers who executed the same.

PASSED AND ADOPTED BY THE CITY COUNCIL OF PLEASANT GROVE, UTAH,
this 6th day of November, 2013

Bruce W. Call, Mayor

ATTEST:

Kathy T. Kresser, CMC
City Recorder

PLEASANT GROVE CITY, UT
INDEX TO LEGAL DOCUMENTS
BANK-QUALIFIED ESCROW

Master Lease Agreement; No. 08089, copy attached

Exhibit A - Equipment Schedule No. 03;

Acceptance Certificate;

Payment Schedule;

Exhibit B-1 - Tax Agreement and Arbitrage Certificate;

Exhibit C-1 - Resolution of Governing Body;

Exhibit D - Incumbency Certificate;

Exhibit E - Opinion of Counsel;

Exhibit F - Escrow Agreement, with its Schedule I and Exhibit A;

Exhibit G-1 Confirmation of Outside Insurance;

Exhibit G-2 Questionnaire for Self-Insurance to Lease and Addendum;

UCC Financing Statements with attached Schedule A;

Form 8038-G. – **PLEASE COPY AND PASTE THE LINK BELOW TO DOWNLOAD THE FORM, COMPLETE, EXECUTE AND RETURN A COPY WITH ALL DOCUMENTS**

http://apps.irs.gov/app/picklist/list/formsPublications.html;jsessionid=oe6S1Sxh2WJLCum-hAK0OQ__?value=8038-G&criteria=formNumber

EXHIBIT A

**EQUIPMENT SCHEDULE NO. 03
TO LEASE NO. 08089**

The following Equipment comprises an Equipment Group which is the subject of the Master Lease Agreement dated as July 11, 2011 (the "Agreement") between the undersigned Lessor and Lessee. The Agreement is incorporated herein in its entirety, and Lessee hereby reaffirms each of its representations, warranties and covenants contained in the Agreement. Lessee warrants that no Non-Appropriation and no Event of Default, or event which, with the passage of time or the giving of notice or both, would constitute an Event of Default, has occurred under the Agreement. An Acceptance Certificate and Payment Schedule are attached to this Equipment Schedule and by reference are made a part hereof. The terms capitalized in this Equipment Schedule but not defined herein shall have the meanings assigned to them in the Agreement.

Solely as to Equipment Schedule No. 03, there shall be no prepayment penalty or premium; however, all other terms and conditions in Article VI and in the Agreement shall remain unmodified and in full force and effect.

EQUIPMENT GROUP

The cost of the Equipment Group to be funded by Lessee under this Lease is **\$417,452.00**(the "Acquisition Cost"). The Equipment Group consists of the following Equipment which has been or shall be purchased from the Vendor(s) named below for the prices set forth below:

Sewer Vacuum Truck and Fitness Equipment

The Equipment Group financed hereunder consists of units of Equipment which have an estimated useful life of 3 years and other units of Equipment which have an estimated useful life of five (5) years. In order to comply with various provisions of the Code, including but not limited to those which require a financing term may not exceed the estimated useful life of the Equipment by no more than 120%, the parties have structured "step down" payments whereby the five (5) of the vehicles be paid off during the first 3 years of the 5 year total lease term (Equipment List). Lessee acknowledges the Lessor's lien on and interest in any unit of Equipment in the Equipment Group shall not be released prior to the expiration of the Lease Term without the Lessor's prior, written consent, which shall not be unreasonably withheld following a credit and legal review of financial and reasonable information to be provided by Lessee if requested by Lessor.

The Equipment Group is or will be located at the following address(es). Prior to relocation of the Equipment Group or any portion thereof during the Lease Term, Lessee will provide written notice to Lessor:

323 West 700 South, Pleasant Grove /547 South Locust Ave, Pleasant Grove

PLEASANT GROVE CITY, UT,
Lessee

**SUNTRUST EQUIPMENT FINANCE
& LEASING CORP.,**
Lessor

By: _____
Name: Bruce Call
Title: Mayor
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Address: 70 South 100 East
Pleasant Grove, UT 84062

Address: 300 East Joppa Road, 7th Floor
Towson, MD 21286

Telephone: 801/785-5045
Facsimile: 801/785-8925

Telephone: _____
Facsimile: 410/307-6702

ACCEPTANCE CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting officer of the Lessee identified below and, with respect to the above referenced Equipment Schedule and Lease, that:

1. The Equipment described below has been delivered and installed in accordance with Lessee's specifications, is in good working order and is fully operational and has been fully accepted by Lessee on or before the date indicated below:

2. Attached are (a) evidence of insurance with respect to the Equipment in compliance with Article VII of the Agreement; (b) Vendor invoice(s) and/or bill(s) of sale relating to the Equipment, and if such invoices have been paid by Lessee, evidence of payment thereof (evidence of official intent to reimburse such payment as required by the Code having been delivered separately by Lessee); and (c) financing statements executed by Lessee as debtor and/or the original certificate of title or manufacturer's certificate of origin and title application, if any, for any Equipment which is subject to certificate of title laws.

3. Rental Payments shall be due and payable by Lessee on the dates and in the amounts indicated on the Payment Schedule attached to the Equipment Schedule. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Lease during the current Fiscal Year of Lessee. Such moneys will be applied in payment of all such Rental Payments due and payable during such current Fiscal Year. Lessee anticipates that sufficient funds shall be available to make all Rental Payments due in subsequent Fiscal Years.

4. Lessee hereby authorizes and directs Lessor to fund the Acquisition Cost of the Equipment by paying, or directing the payment by the Escrow Agent (if applicable) of, the invoice prices to the Vendor(s), in each case as set forth above, or by reimbursing Lessee in the event such invoice prices have been previously paid by Lessee.

5. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Lease) exists at the date hereof

_____ 6. **Final Acceptance Certificate.** This Acceptance Certificate constitutes final acceptance of all of the Equipment identified in the Equipment Schedule described above. Lessee certifies that upon payment in accordance with paragraph 4 above, or direction to the Escrow Agent (if applicable) to make payment, Lessor shall have fully and satisfactorily performed all of its covenants and obligations under the Lease. [CHECK BOX IF APPLICABLE.]

PLEASANT GROVE CITY, UT,
Lessee

By: _____

Name: Bruce Call

Title: Mayor

Date: _____

Lease Number: 08089
Equipment Schedule: 03

PAYMENT SCHEDULE

The Funding Date with respect to the above referenced Equipment Group shall be October 25, 2013. Lessor shall retain any interest or income accruing between the Funding Date and the date on which interest begins to accrue in accordance with the Payment Schedule more fully set forth below. The annual Interest rate applicable to the Equipment Group shall be 2.04%. The first Rental Payment is due on October 25, 2014 and subsequent payments are due annually as set forth below.

| Payment Number | Payment Date | Payment Amount | Principal Component | Interest Component | Prepayment Price* |
|---------------------------|-------------------------|---------------------------|--------------------------------|-------------------------------|------------------------------|
| | 10/25/2013 | 0.00 | 0.00 | 0.00 | NA |
| 1 | 10/25/2014 | 75,521.85 | 67,026.70 | 8,495.15 | 350,425.30 |
| 2 | 10/25/2015 | 76,168.65 | 69,037.49 | 7,131.16 | 281,387.80 |
| 3 | 10/25/2016 | 76,834.86 | 71,108.62 | 5,726.24 | 210,279.19 |
| 4 | 10/25/2017 | 54,541.59 | 50,262.41 | 4,279.18 | 160,016.78 |
| 5 | 10/25/2018 | 55,026.62 | 51,770.28 | 3,256.34 | 108,246.50 |
| 6 | 10/25/2019 | 55,526.21 | 53,323.39 | 2,202.82 | 54,923.10 |
| 7 | 10/25/2020 | 56,040.79 | 54,923.11 | 1,117.68 | 0.00 |
| | | ===== | ===== | ===== | |
| | Totals | 449,660.57 | 417,452.00 | 32,208.57 | |

PLEASANT GROVE CITY, UT,
Lessee

By: _____

Name: Bruce Call

Title: Mayor

Date: _____

* After payment of Rental Payment due on such date.

[Escrow]

Lease Number: 08089
Equipment Schedule: 03**TAX AGREEMENT AND ARBITRAGE CERTIFICATE**

This **TAX AGREEMENT AND ARBITRAGE CERTIFICATE** (this "Certificate") is issued by **PLEASANT GROVE CITY, UT** ("Lessee") in favor of **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.** ("Lessor") in connection with that certain Master Lease Agreement dated as of July 11, 2011 (the "Agreement"), by and between Lessor and Lessee. The terms capitalized herein but not defined herein shall have the meanings assigned to them in the Agreement.

Section 1. In General.

1.1. This Certificate is executed for the purpose of establishing the reasonable expectations of Lessee as to future events regarding the financing of certain equipment (the "Equipment") to be acquired by Lessor and leased to Lessee pursuant to and in accordance with the Equipment Schedule referenced above (the "Equipment Schedule") executed under the Agreement (together with all related documents executed pursuant thereto and contemporaneously herewith, the "Financing Documents"). As described in the Financing Documents, Lessor shall apply **\$417,452.00** (the "Principal Amount") toward the acquisition of the Equipment and Lessee shall make Rental Payments under the terms and conditions as set forth in the Financing Documents.

1.2. The individual executing this Certificate on behalf of Lessee is an officer of Lessee delegated with the responsibility of reviewing and executing the Financing Documents, pursuant to the resolution or other official action of Lessee adopted with respect to the Financing Documents, a copy of which has been delivered to Lessor.

1.3. The Financing Documents are being entered into for the purpose of providing funds for financing the cost of acquiring, equipping and installing the Equipment which is essential to the governmental functions of Lessee, which Equipment is described in the Equipment Schedule. The Principal Amount will be deposited in escrow by Lessor on the date of issuance of the Financing Documents and held by **SUNTRUST BANK**, as escrow agent (the "Escrow Agent") pending acquisition of the Equipment under the terms of that certain Escrow Agreement dated as of October 25, 2013, (the "Escrow Agreement"), by and between Lessor and Escrow Agent.

1.4. Lessee will timely file for each payment schedule issued under the Lease a Form 8038-G (or, if the invoice price of the Equipment under such schedule is less than \$100,000, a Form 8038-GC) relating to such Lease with the Internal Revenue Service in accordance with Section 149(e) of the Internal Revenue Code of 1986, as amended (the "Code").

1.5. Lessee has not issued, and reasonably anticipates that it and its subordinate entities, if any, will not issue, tax-exempt obligations (including the Lease) in the amount of more than \$10,000,000 during the current calendar year. Lessee hereby designates the Lease as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code and agrees that it and its subordinate entities, if any, will not designate more than \$10,000,000 of their obligations as "qualified tax-exempt obligations" during the current calendar year.

Section 2. Non-Arbitrage Certifications.

2.1. The Rental Payments due under the Financing Documents will be made with monies retained in Lessee's general operating fund (or an account or subaccount therein). No sinking, debt service, reserve or similar fund or account will be created or maintained for the payment of the Rental Payments due under the Financing Documents or pledged as security therefor.

2.2. There have been and will be issued no obligations by or on behalf of Lessee that would be deemed to be (i) issued or sold within fifteen (15) days before or after the date of issuance of the Financing Documents, (ii) issued or sold pursuant to a common plan of financing with the Financing Documents and (iii) paid out of substantially the same source of funds as, or deemed to have substantially the same claim to be paid out of substantially the same source of funds as, the Financing Documents.

2.3. Other than the Principal Amount held under the Escrow Agreement, Lessee does not and will not have on hand any funds that are or will be restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, as a substitute, replacement or separate source of financing for the Equipment.

2.4. No portion of the Principal Amount is being used by Lessee to acquire investments which produce a yield materially higher than the yield realized by Lessor from Rental Payments received under the Financing Documents.

2.5. The Principal Amount does not exceed the amount necessary for the governmental purpose for which the Financing Documents were entered into. Such funds are expected to be needed and fully expended for payment of the costs of acquiring, equipping and installing the Equipment.

2.6. Lessee does not expect to convey, sublease or otherwise dispose of the Equipment, in whole or in part, at a date which is earlier than the final Payment Date under the Financing Documents.

Section 3. Disbursement of Funds; Reimbursement to Lessee.

3.1. It is contemplated that the entire Principal Amount deposited in escrow will be used to pay the acquisition cost of Equipment to the vendors or manufacturers thereof, provided that, if applicable, a portion of the principal amount may be paid to Lessee as reimbursement for acquisition cost payments already made by it so long as the conditions set forth in Section 3.2 below are satisfied.

3.2. Lessee shall not request that it be reimbursed for Equipment acquisition cost payments already made by it unless each of the following conditions have been satisfied:

- (a) Lessee adopted a resolution or otherwise declared its official intent in accordance with Treasury Regulation § 1.150-2 (the "Declaration of Official Intent"), wherein Lessee expressed its intent to be reimbursed from the proceeds of a borrowing for all or a portion of the cost of the Equipment, which expenditure was paid to the Vendor not earlier than sixty (60) days before Lessee adopted the Declaration of Official Intent;
- (b) The reimbursement being requested will be made by a written allocation before the later of eighteen (18) months after the expenditure was paid or eighteen (18) months after the items of Equipment to which such payment relates were placed in service;
- (c) The entire payment with respect to which reimbursement is being sought is a capital expenditure, being a cost of a type properly chargeable to a capital account under general federal income tax principles; and
- (d) Lessee will use any reimbursement payment for general operating expenses and not in a manner which could be construed as an artifice or device under Treasury Regulation § 1.148-10 to avoid, in whole or in part, arbitrage yield restrictions or arbitrage rebate requirements.

Section 4. Use and Investment of Funds; Temporary Period.

4.1. Lessee has incurred or will incur, within six (6) months from the date of issuance of the Financing Documents, binding obligations to pay an amount equal to at least five percent (5%) of the Principal Amount toward the costs of the Equipment. An obligation is not binding if it is subject to contingencies within Lessee's control. The ordering and acceptance of the items of Equipment will proceed with due diligence to the date of final acceptance of the Equipment.

4.2. An amount equal to at least eighty-five percent (85%) of the Principal Amount will be expended to pay the cost of the Equipment by the end of the three-year period commencing on the date of this Certificate. No portion of the Principal Amount will be used to acquire investments that do not carry out the governmental purpose of the Financing Documents and that have a substantially guaranteed yield of four (4) years or more.

4.3. (a) Lessee covenants and agrees that it will rebate an amount equal to excess earnings on the Principal Amount deposited under the Escrow Agreement to the Internal Revenue Service if required by, and in accordance with, Section 148(f) of the Code, and make the annual determinations and maintain the records required by and otherwise comply with the regulations applicable thereto. Lessee reasonably expects to cause the Equipment to be acquired by **April 25, 2015**.

(b) Lessee will provide evidence to Lessor that the rebate amount has been calculated and paid to the Internal Revenue Service in accordance with Section 148(f) of the Code unless (i) the entire Principal Amount is expended on the Equipment by the date that is the six-month anniversary of the Financing Documents or (ii) the Principal Amount is expended on the Equipment in accordance with the following schedule: At least fifteen percent (15%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within six months from the date of issuance of the Financing Documents; at least sixty percent (60%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within 12 months from the date of issuance of the Financing Documents; and one hundred percent (100%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment prior to eighteen (18) months from the date of issuance of the Financing Documents.

(c) Lessee hereby covenants that (i) Lessee is a governmental unit with general tax powers; (ii) the Lease is not a "private activity bond" under Section 141 of the Code; (iii) at least ninety-five percent (95%) of the Principal Amount is used for the governmental activities of Lessee; and (iv) the aggregate principal amount of all tax-exempt obligations (including the Lease) issued by Lessee and its subordinate entities, if any, during the current calendar year is not reasonably expected to exceed \$5,000,000. Accordingly, the rebate requirements of Section 148(f) of the Code are treated as being met, in lieu of the spending exceptions set forth in paragraph (b) above.

Section 5. Escrow Account.

The Financing Documents provide that the monies deposited in escrow shall be invested until payments to the vendor(s) or manufacturer(s) of the Equipment are due. Lessee will ensure that such investment will not result in Lessee's obligations under the Financing Documents being treated as an "arbitrage bond" within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the "Code"), respectively. Any monies which are earned from the investment of these funds shall be labeled as interest earned. All such monies will be disbursed on or promptly after the date that Lessee accepts the Equipment.

Section 6. No Private Use; No Consumer Loan.

6.1. Lessee will not exceed the private use restrictions set forth in Section 141 of the Code. Specifically, Lessee will not permit more than 10% of the Principal Amount to be used for a Private Business Use (as defined herein) if, in addition, the payment of more than ten percent (10%) of the Principal Amount plus interest earned thereon is, directly or indirectly, secured by (i) any interest in property used or to be used for a Private Business Use or (ii) any interest in payments in respect of such property or derived from any payment in respect of property or borrowed money used or to be used for a Private Business Use.

In addition, if both (A) more than five percent (5%) of the Principal Amount is used as described above with respect to Private Business Use and (B) more than five percent (5%) of the Principal Amount plus interest earned thereon is secured by Private Business Use property or payments as described above, then the excess over such five percent (5%) (the "Excess Private Use Portion") will be used for a Private Business Use related to the governmental use of the Equipment. Any such Excess Private Use Portion of the Principal Amount will not exceed the portion of the Principal Amount used for the governmental use of the particular project to which such Excess Private Use Portion is related. For purposes of this paragraph 6.1, "Private Business Use" means use of bond proceeds or bond financed-property directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and excluding use as a member of the general public.

6.2. No part of the Principal Amount or interest earned thereon will be used, directly or indirectly, to make or finance any loans to non-governmental entities or to any governmental agencies other than Lessee.

Section 7. No Federal Guarantee.

7.1. Payment of the principal or interest due under the Financing Documents is not directly or indirectly guaranteed, in whole or in part, by the United States or an agency or instrumentality thereof.

7.2. No portion of the Principal Amount or interest earned thereon shall be (i) used in making loans the payment of principal or interest of which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts if such investment would cause the financing under the Financing Documents to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 8. Miscellaneous.

8.1. Lessee shall keep a complete and accurate record of all owners or assignees of the Financing Documents in form and substance satisfactory to comply with the registration requirements of Section 149(a) of the Code unless Lessor or its assignee agrees to act as Lessee's agent for such purpose.

8.2. Lessee shall maintain complete and accurate records establishing the expenditure of the Principal Amount and interest earnings thereon for a period of five (5) years after payment in full under the Financing Documents.

8.3. To the best of the undersigned's knowledge, information and belief, the above expectations are reasonable and there are no other facts, estimates or circumstances that would materially change the expectations expressed herein.

IN WITNESS WHEREOF, this Tax Agreement and Arbitrage Certificate has been executed on behalf of Lessee as of October 25, 2013.

PLEASANT GROVE CITY, UT,
Lessee

By: _____

Name: Bruce Call

Title: Mayor

Date: _____

[Escrow]

Lease Number: 08089
Equipment Schedule: 03

RESOLUTION OF GOVERNING BODY

At a duly called meeting of the governing body of Lessee held in accordance with all applicable legal requirements, including open meeting laws, on the ____ day of _____, _____, the following resolution was introduced and adopted:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER LEASE AGREEMENT, EQUIPMENT SCHEDULE NO. 03, AN ESCROW AGREEMENT, AND RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the governing body of **PLEASANT GROVE CITY, UT** ("Lessee") desires to obtain certain equipment (the "Equipment") described in Equipment Schedule No. 03 to the Master Lease Agreement (collectively, the "Lease") with **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, the form of which has been available for review by the governing body of Lessee prior to this meeting; and

WHEREAS, the Equipment is essential for the Lessee to perform its governmental functions; and

WHEREAS, the funds made available under the Lease will be deposited with **SUNTRUST BANK** (the "Escrow Agent") pursuant to an Escrow Agreement between Lessee and the Escrow Agent (the "Escrow Agreement") and will be applied to the acquisition of the Equipment in accordance with said Escrow Agreement; and

WHEREAS, Lessee has taken the necessary steps, including those relating to any applicable legal bidding requirements, to arrange for the acquisition of the Equipment; and

WHEREAS, Lessee proposes to enter into the Lease with **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.** and the Escrow Agreement with the Escrow Agent substantially in the forms presented to this meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF LESSEE AS FOLLOWS:

Section 1. It is hereby found and determined that the terms of the Lease and the Escrow Agreement (collectively, the "Financing Documents") in the forms presented to this meeting and incorporated in this resolution are in the best interests of Lessee for the acquisition of the Equipment.

Section 2. The Financing Documents and the acquisition and financing of the Equipment under the terms and conditions as described in the Financing Documents are hereby approved. The Mayor of Lessee and any other officer of Lessee who shall have power to execute contracts on behalf of Lessee be, and each of them hereby is, authorized to execute, acknowledge and deliver the Financing Documents with any changes, insertions and omissions therein as may be approved by the officers who execute the Financing Documents, such approval to be conclusively evidenced by such execution and delivery of the Financing Documents. The City Recorder of the Lessee and any other officer of Lessee who shall have power to do so be, and each of them hereby is, authorized to affix the official seal of Lessee to the Financing Documents and attest the same.

Section 3. The proper officers of Lessee be, and each of them hereby is, authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this resolution and the Financing Documents.

Section 4. Pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), Lessee hereby specifically designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code.

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the Lease and Escrow Agreement executed on behalf of Lessee are the same as presented at such meeting of the governing body of Lessee, excepting only such changes, insertions and omissions as shall have been approved by the officers who executed the same.

Date: _____, _____

PLEASANT GROVE CITY, UT,
Lessee

By: _____
Name: Bruce Call
Title: Mayor

Attested By: _____
Name: Kathy Kresser
Title: City Recorder

EXHIBIT D

Lease No.: 08089
Equipment Schedule: 03

INCUMBENCY CERTIFICATE

I do hereby certify that I am the duly elected or appointed and acting City Recorder of **PLEASANT GROVE CITY, UT**, a political subdivision duly organized and existing under the laws of the State of Utah, that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding the offices set forth opposite their respective names.

I further certify that (i) the officers of Lessee listed below have the authority on behalf of Lessee to execute and deliver the Master Lease Agreement dated as of July 11, 2011 between **SUNTRUST EQUIPMENT FINANCE & LEASING CORP** and Lessee, all Equipment Schedules thereunder and all other documents, agreements and certificates contemplated by the foregoing; and (ii) the signatures set opposite the respective names and titles of such officers are their true and authentic signature.

| <u>NAME</u> | <u>TITLE</u> | <u>SIGNATURE</u> | <u>PHONE NUMBER</u> |
|-------------------|--------------|------------------|---------------------|
| <u>Bruce Call</u> | <u>Mayor</u> | _____ | <u>801/785-5045</u> |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

IN WITNESS WHEREOF, I have duly executed this certificate as of this ____ day of _____, ____.

By: _____
Name: Kathy Kresser
Title: City Recorder

EXHIBIT E

[LETTERHEAD OF LESSEE'S COUNSEL]

October 25, 2013

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.
300 East Joppa Road, 7th Floor
Towson, Maryland 21286

Re: Master Lease Agreement dated as of July 11, 2011 (the "Agreement") by and between **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.** ("Lessor") and **PLEASANT GROVE CITY, UT** ("Lessee")

Ladies and Gentlemen:

We have acted as counsel to Lessee with respect to the above-referenced Agreement and related matters, and in this capacity have reviewed a duplicate original or certified copy of the Agreement and Equipment Schedule No. 03 executed pursuant thereto (together with the Agreement, the "Lease") and the Escrow Agreement dated as of October 25, 2013 between Lessor, Lessee and SunTrust Bank, as escrow Agent (the "Escrow Agreement," and together with the Lease, the "Financing Documents"). The terms capitalized in this opinion but not defined herein shall have the meanings assigned to them in the Lease. Based upon the examination of these and such other documents as we have deemed relevant, it is our opinion that:

1. Lessee is a political subdivision of the State of Utah (the "State") within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended, and is duly organized, existing and operating under the Constitution and laws of the State.

2. Lessee is authorized and has the power under applicable law to enter into the Financing Documents, and to carry out its obligations thereunder and the transactions contemplated thereby.

3. The Financing Documents have been duly authorized, executed and delivered by and on behalf of Lessee, and are legal, valid and binding obligations of Lessee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

4. The authorization and execution of the Financing Documents and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public records, public bidding and all other laws, rules and regulations of the State.

5. The execution of the Lease and the obligation to pay the Rental Payments coming due thereunder do not and will not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

6. There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body that challenges the organization or existence of Lessee, the authority of Lessee or its officers or its employees to enter into the Financing Documents, the proper authorization and/or execution of the Financing Documents or the documents contemplated thereby, the obligation of Lessee to make Rental Payments under the Lease, or the ability of Lessee otherwise to perform its obligations under the Financing Documents and the transactions contemplated thereby. To the best of our knowledge, no such litigation, action, suit or proceeding is threatened.

7. The Equipment is personal property, and when used by Lessee will not be or become fixtures under the laws of the State.

8. Resolution No. _____ of the governing body of Lessee was duly and validly adopted by such governing body on _____, _____, and such resolution has not been amended, modified, supplemented or repealed and remains in full force and effect.

This opinion may be relied upon by the addressee hereof and its successors and assignees of interests in the Lease, but only with regard to matters specifically set forth herein.

Very truly yours,

(type name and title under signature)

Lease No.: Shown on Schedule I
Equipment Schedule: Shown on Schedule I

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.

ESCROW AGREEMENT

This **ESCROW AGREEMENT**, made and entered into as of the Date shown on Schedule I, by and among **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, a Virginia corporation (“Lessor”), the Lessee named on Schedule I, which is a political subdivision or public body politic and corporate of the State or Commonwealth shown on Schedule I (“Lessee”), and **SUNTRUST BANK**, a Georgia banking corporation, as Escrow Agent (“Escrow Agent”).

In consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS AND RECITALS

Section 1.1. Definitions. The terms defined in this Section 1.1 shall, for all purposes of this Escrow Agreement, have the meanings specified below or on Schedule I.

“Acquisition Costs” means, with respect to the Equipment, the contract price paid or to be paid to the person entitled to such payment upon acquisition or delivery of any portion of the Equipment in accordance with the purchase order or contract herefore. Acquisition Costs may include the administrative, engineering, legal, financial and other costs incurred by Lessee in connection with the acquisition, delivery and financing of the Equipment, if approved by Lessor.

“Equipment” means the personal property described in the Acceptance Certificate executed pursuant to the Lease, together with any and all modifications, additions and alterations thereto, to be acquired from the moneys held in the Equipment Acquisition Fund.

“Equipment Acquisition Fund” means the account by that name established and held by Escrow Agent pursuant to Article II of this Escrow Agreement.

“Escrow Agent Fee” has the meaning set forth in Section 6.1 and the amount of such Escrow Agent Fee is shown on Schedule I.

“Escrow Agreement” means this Escrow Agreement and any duly authorized and executed amendment or supplement hereto.

“Initial Deposit Amount” means the amount shown as the Initial Deposit Amount on Schedule I.

“Lease” means the Master Lease, together with the Equipment Schedule identified on Schedule I, by and between Lessee and Lessor, and any duly authorized and executed amendment or supplement thereto.

“Master Lease” means the Master Lease Agreement, dated as of the date shown on Schedule I, by and between Lessee and Lessor, including any Equipment Schedules entered into thereunder and any duly authorized and executed amendment or supplement thereto.

“Payment Request Form” means the document substantially in the form attached hereto as Exhibit A to be executed by Lessee and Lessor and submitted to Escrow Agent to authorize payment of Acquisition Costs.

“Qualified Investments” means the ST Leasing – Corp Agency NOW Account, a SunTrust Deposit Account for Escrow customers of SUNTRUST EQUIPMENT FINANCE & LEASING CORP. and SunTrust Bank. By signing this Escrow Agreement, Lessee acknowledges that such Qualified Investment is a permitted investment under any state, county or municipal law applicable to the

investment of Lessee's funds.

ARTICLE II. APPOINTMENT OF ESCROW AGENT; AUTHORITY

Section 2.1. Appointment of Escrow Agent. Lessor and Lessee hereby appoint and employ Escrow Agent to receive, hold, invest and disburse the moneys to be paid to Escrow Agent pursuant to this Escrow Agreement and to perform certain other functions, all as hereinafter provided. By executing and delivering this Escrow Agreement, Escrow Agent accepts the duties and obligations of Escrow Agent hereunder.

Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no additional duties or obligations shall be implied hereunder. In performing its duties under this Escrow Agreement, or upon the claimed failure to perform any of its duties hereunder, Escrow Agent shall not be liable to anyone for any damages, losses or expenses which may be incurred as a result of Escrow Agent so acting or failing to so act; *provided, however*, Escrow Agent shall not be relieved from liability for damages arising out of its proven gross negligence or willful misconduct under this Escrow Agreement. Escrow Agent shall in no event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel, which may be counsel to any party hereto, given with respect to any question relating to the duties and responsibilities of Escrow Agent hereunder or (ii) any action taken or omitted to be taken in reliance upon any instrument delivered to Escrow Agent and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent shall not be bound in any way by any agreement or contract between Lessor and Lessee, including the Master Lease, whether or not Escrow Agent has knowledge of any such agreement or contract.

Section 2.2. Authority. Each of the parties has authority to enter into this Escrow Agreement, and has taken all actions necessary to authorize the execution of this Escrow Agreement by the representatives whose signatures are affixed hereto.

ARTICLE III. EQUIPMENT ACQUISITION FUND

Section 3.1. Equipment Acquisition Fund. Escrow Agent shall establish a special escrow account designated as the "Equipment Acquisition Fund" (the "Equipment Acquisition Fund"), shall keep such Equipment Acquisition Fund separate and apart from all other funds and moneys held by it and shall administer such Equipment Acquisition Fund as provided in this Escrow Agreement.

Section 3.2. Deposit. Upon execution of the Lease and delivery to the Lessor by Lessee of all documents required to be delivered thereunder, Lessor shall deposit or cause to be deposited with Escrow Agent an amount equal to the Initial Deposit Amount. Escrow Agent shall credit such amount to the Equipment Acquisition Fund. The Initial Deposit Amount is to be sent by Lessor to Escrow Agent by wire transfer to: **SunTrust Bank, ABA# 061000104, Account# 9443001321, Account Name: Escrow Services Richmond, Beneficiary as shown on Schedule I, Attention: Matthew Ward.**

Section 3.3. Disbursements. Escrow Agent shall use the moneys in the Equipment Acquisition Fund from time to time to pay the Acquisition Cost of each item of Equipment, within a reasonable time of receipt with respect thereto of a Payment Request Form executed by Lessor and Lessee. Upon receipt of a Payment Request Form executed by Lessor and Lessee, an amount equal to the Acquisition Cost as shown therein shall be paid directly by Escrow Agent to the person or entity entitled to payment as specified therein. Although the Payment Request Form may have schedules, invoices and other supporting document attached to it, Lessor will send to Escrow Agent only the page or pages showing the signatures of Lessor and Lessee, the Acquisition Cost and related payment information, without such schedules, invoices or other supporting documentation. Escrow Agent may act and rely upon the signed Payment Request Form without the need to review or verify any such schedules, invoices or other supporting documentation.

Section 3.4. Transfers Upon Completion. Unless all of the funds deposited by Lessor in the Equipment Acquisition Fund have been previously disbursed pursuant to Section 3.3 or paid to Lessor pursuant to Section 3.5, on the Ending Date shown on Schedule I, Escrow Agent shall pay upon written direction all remaining moneys in the Equipment Acquisition Fund to Lessor or its assignee for application as a prepayment of the unpaid Principal under the related Lease. Any amounts paid pursuant to this Section 3.4 shall be subject to a prepayment fee equal to two percent (2%) of such amount. Lessor shall apply amounts received under this Section 3.4 first to unpaid fees, late charges and collection costs, if any, which have accrued or been incurred under the Master Lease, then to overdue Principal and Interest on the Lease and then, in the sole discretion of Lessor, either (i) to Principal payments thereafter due under the Lease in the inverse

order of their maturities or (ii) proportionately to each Principal payment thereafter due under the Lease. In the event that Lessor elects to apply any such amounts in accordance with clause (i) of the preceding sentence, Lessee shall continue to make Rental Payments as scheduled in the applicable Payment Schedule. In the event that Lessor elects to apply such amounts in accordance with clause (ii) of this Section 3.4, Lessor shall provide Lessee with a revised Payment Schedule which shall reflect the revised Principal balance and reduced Rental Payments due under the Lease. Capitalized terms used in this Section 3.4, but not defined herein, shall have the meanings given to such terms in the Lease. Escrow Agent shall have no responsibility to see to the appropriate application of any moneys returned under this Section 3.4.

Section 3.5. Liquidation. Upon receipt of written notice from Lessor or Lessee that the Lease has been terminated pursuant to Sections 3.2 or 12.2 thereof, Escrow Agent shall liquidate all investments held in the Equipment Acquisition Fund and transfer the proceeds thereof and all other moneys held in the Equipment Acquisition Fund to Lessor.

Section 3.6. Responsible Party. The Lessee shall be responsible for the initiation of the disbursement process pursuant to Section 3.3 hereof. Neither Escrow Agent nor Lessor shall be responsible for any additional monies assessed to Lessee resulting from disbursements made from the Equipment Acquisition Fund.

ARTICLE IV. TRUST; INVESTMENT

Section 4.1. Irrevocable Trust. The moneys and investments held by Escrow Agent under this Escrow Agreement are irrevocably held in trust for the benefit of Lessor and Lessee, and such moneys, together with any income or interest earned, shall be expended only as provided in this Escrow Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessor or Lessee (other than Lessor's security interest granted hereunder).

Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Equipment Acquisition Fund or any part of the Equipment Acquisition Fund or to file any financing statement under the Uniform Commercial Code of any jurisdiction with respect to the Equipment Acquisition Fund or any part thereof.

Section 4.2. Investment. Moneys held by Escrow Agent hereunder shall be invested and reinvested by Escrow Agent only in Qualified Investments. Such investments shall be registered in the name of Escrow Agent and held by Escrow Agent for the benefit of Lessor and Lessee. Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Article IV. Such investments and re-investments shall be made giving full consideration for the time at which funds are required to be available. Any income received on such investments shall be credited to the Equipment Acquisition Fund and any loss on such investments shall be charged to the Equipment Acquisition Fund. Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with this Article IV.

Section 4.3. Disposition of Investments. Escrow Agent shall, without further direction from Lessor or Lessee, sell such investments as and when required to make any payment from the Equipment Acquisition Fund.

Section 4.4. Accounting. Escrow Agent shall keep complete and accurate records of all moneys received and disbursed under this Escrow Agreement which shall be available for inspection by Lessor or Lessee, or the agent of either of them, at any time during regular business hours upon prior written request. Escrow Agent shall furnish to Lessor and Lessee no less than quarterly an accounting of all investments and interest and income therefrom.

Section 4.5. Termination. This Escrow Agreement shall terminate upon disbursement by Escrow Agent of all moneys held by it hereunder. Notwithstanding the foregoing, this Escrow Agreement shall not be considered to be terminated until all fees, costs and expenses of Escrow Agent have been paid in full. Upon termination, Escrow Agent shall be discharged from all duties and responsibilities under this Escrow Agreement.

ARTICLE V. ESCROW AGENT'S AUTHORITY; INDEMNIFICATION

Section 5.1. Validity. Escrow Agent may act upon any writing or instrument or signature which it believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to

give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so, and Escrow Agent shall be under no duty to make any investigation or inquiry as to any of the foregoing. Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited with it, nor as to the identity, authority or right of any person executing the same.

Escrow Agent shall be entitled to rely upon any statement, certificate, document or instrument presented to it by or on behalf of Lessee by any of the Lessee's Authorized Representatives shown on Schedule I and shall be entitled to rely upon any such statement, certificate, document or instrument presented to it by any other person who identifies himself or herself as an authorized representative of Lessee.

Section 5.2. Use of Counsel and Agents. Escrow Agent may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers. Escrow Agent shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder and shall be paid or reimbursed the reasonable fees and expenses of such counsel, as provided in Section 6.1. Escrow Agent shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

Section 5.3. Interpretation. As an additional consideration for and as an inducement for Escrow Agent to act hereunder, it is understood and agreed that, in the event of any disagreement between the parties to this Escrow Agreement or among them or any other persons resulting in adverse claims and demands being made in connection with or for any money or other property involved in or affected by this Escrow Agreement, Escrow Agent shall be entitled, at the option of Escrow Agent, to refuse to comply with the demands of such parties, or any of such parties, so long as such disagreement shall continue. In such event, Escrow Agent shall make no delivery or other disposition of the Equipment Acquisition Fund or any part of the Equipment Acquisition Fund. Anything herein to the contrary notwithstanding, Escrow Agent shall not be or become liable to such parties or any of them for the failure of Escrow Agent to comply with the conflicting or adverse demands of such parties or any of such parties.

Escrow Agent shall be entitled to continue to refrain and refuse to deliver or otherwise dispose of the Equipment Acquisition Fund or any part thereof or to otherwise act hereunder, as stated above, unless and until:

1. the rights of such parties have been finally settled by binding arbitration or duly adjudicated in a court having jurisdiction of the parties and the Equipment Acquisition Fund; or
2. the parties have reached an agreement resolving their differences and have notified Escrow Agent in writing of such agreement and have provided Escrow Agent with indemnity satisfactory to Escrow Agent against any liability, claims or damages resulting from compliance by Escrow Agent with such agreement.

In the event of a disagreement between such parties as described above, Escrow Agent shall have the right, in addition to the rights described above and at the option of Escrow Agent, to tender into the registry or custody of any court having jurisdiction, all money and property comprising the Equipment Acquisition Fund and may take such other legal action as may be appropriate or necessary, in the opinion of Escrow Agent. Upon such tender, the parties hereto agree that Escrow Agent shall be discharged from all further duties and responsibilities under this Escrow Agreement; *provided, however*, that the filing of any such legal proceedings shall not deprive Escrow Agent of its compensation hereunder earned prior to such filing and discharge of Escrow Agent of its duties and responsibilities hereunder.

The parties hereto jointly and severally agree that, whether under this Section 5.3 or any other provisions of this Escrow Agreement, in the event any controversy arises under or in connection with this Escrow Agreement or the Equipment Acquisition Fund or in the event that Escrow Agent is made a party to or intervenes in any litigation pertaining to this Escrow Agreement or the Equipment Acquisition Fund, to pay to Escrow Agent reasonable additional compensation for its extraordinary services and to reimburse Escrow Agent for all costs and expenses associated with such controversy or litigation, including reasonable attorney's fees.

Section 5.4. Limited Liability of Escrow Agent. Escrow Agent shall not be liable in connection with the performance or observation of its duties or obligations hereunder except for in the case of its proven gross negligence or willful misconduct. Escrow Agent shall have no obligation or liability to any of the other parties under this Escrow Agreement for the failure or refusal of any other party to perform any

covenant or agreement made by such party hereunder or under the Master Lease, but shall be responsible solely for the performance of the duties and obligations expressly imposed upon it as Escrow Agent hereunder.

Section 5.5. Indemnification. Escrow Agent shall have no obligation to take any legal action in connection with this Escrow Agreement or towards its enforcement, or to appear in, prosecute or defend any action or legal proceeding which would or might involve it in any cost, expense, loss or liability unless security and indemnity, as provided in this Section 5.5, shall be furnished.

To the extent permitted by applicable law, Lessee agrees to indemnify Escrow Agent and its officers, directors, employees and agents and save Escrow Agent and its officers, directors, employees and agents harmless from and against any and all Claims (as hereinafter defined) and Losses (as hereinafter defined) which may be incurred by Escrow Agent or any of such officers, directors, employees or agents as a result of Claims asserted against Escrow Agent or any of such officers, directors, employees or agents as a result of or in connection with Escrow Agent's capacity as such under this Escrow Agreement by any person or entity. For the purposes hereof, the term "Claims" shall mean all claims, lawsuits, causes of action or other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counterclaim, cross action or impleader) Escrow Agent or any such officer, director, employee or agent, even if groundless, false or fraudulent, so long as the claim, lawsuit, cause of action or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, result from, relate to or be based upon, in whole or in part: (a) the acts or omissions of Lessor or Lessee, (b) the appointment of Escrow Agent as escrow agent under this Escrow Agreement, or (c) the performance by Escrow Agent of its powers and duties under this Escrow Agreement; and the term "Losses" shall mean losses, costs, damages, expenses, judgments and liabilities of whatever nature (including but not limited to attorneys', accountants' and other professionals' fees, litigation and court costs and expenses and amounts paid in settlement), directly or indirectly resulting from, arising out of or relating to one or more Claims. Upon the written request of Escrow Agent or any such officer, director, employee or agent (each referred to hereinafter as an "Indemnified Party"), and to the extent permitted by law, Lessee agrees to assume the investigation and defense of any Claim, including the employment of counsel acceptable to the applicable Indemnified Party and the payment of all expenses related thereto and, notwithstanding any such assumption, the Indemnified Party shall have the right, and Lessee agrees to pay the cost and expense thereof, to employ separate counsel with respect to any such Claim and participate in the investigation and defense thereof in the event that such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to such Indemnified Party which are different from or additional to those available to either Lessor or Lessee. Lessee hereby agrees that the indemnifications and protections afforded Escrow Agent in this Section 5.5 shall survive the termination of this Escrow Agreement.

ARTICLE VI. COMPENSATION

Section 6.1. Escrow Agent Fee. Escrow Agent and/or Lessor shall be paid by Lessee the Escrow Agency Fees shown on Schedule I for the ordinary services to be rendered hereunder (the "Escrow Agency Fees") from interest earnings from a deduction taken by Lessor and expressly authorized by Lessee at the time the Escrow Account is closed, and will be paid and/or reimbursed by Lessee upon request for all costs, expenses, disbursements and advances, such as reasonable attorney's fees and court costs, incurred or made by Escrow Agent in connection with carrying out its duties hereunder, including the costs, expenses, disbursements and advances described in Sections 5.2, 5.3 and 6.2. The Escrow Agent Fee and such other costs, expenses, disbursements and advances shall be payable solely from the interest earnings from the Equipment Acquisition Fund. In the event a shortfall occurs, said shortfall shall be the responsibility of Lessee and not the responsibility of Escrow Agent, Lessor, or their agents or assigns. Such shortfall shall be paid by Lessee to Escrow Agent within 30 days following receipt by Lessee of a written statement setting forth such shortfall.

Section 6.2. Investment Fees. Escrow Agent shall be entitled to charge reasonable fees and commissions in connection with the investment by it of amounts held in the Equipment Acquisition Fund (the "Investment Fees"). Investment Fees are more fully delineated and defined in any prospectus referenced in or attached to the attached Schedule I. Other Investment Fees may apply for self-directed investment choices or for extraordinary investments outside the Qualified Investment defined herein. Lessor and Lessee hereby authorize Escrow Agent to periodically deduct the Investment Fees from investment earnings on the Equipment Acquisition Fund.

Section 6.3. Security for Fees and Expenses. As security for all fees and expenses of Escrow Agent hereunder and any and all losses, claims, damages, liabilities and expenses incurred by Escrow Agent in connection with its acceptance of appointment hereunder or with the performance of its obligations under this Escrow Agreement and to secure the obligation of Lessee to indemnify Escrow Agent as set forth in Section 5.5, Escrow Agent is hereby granted a security interest in and a lien upon the Equipment Acquisition Fund, which security interest and lien shall be prior to all other security interests, liens or claims against the Equipment Acquisition

Fund or any part thereof.

ARTICLE VII. CHANGE OF ESCROW AGENT

Section 7.1. Removal of Escrow Agent. Lessor and Lessee, by written agreement, may by written request, at any time and for any reason, remove Escrow Agent and any successor thereto, and shall thereupon appoint a successor or successors thereto, but any such successor shall have capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000), and be subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to statute or the requirements of any federal or state supervising or examining authority, then for the purposes of this Section 7.1, the combined capital and surplus of such bank or trust company may be conclusively established in its most recent report of condition so published.

Section 7.2. Resignation of Escrow Agent. Escrow Agent may resign at any time from its obligations under this Escrow Agreement by providing written notice to the parties hereto. Such resignation shall be effective on the date set forth in such written notice which shall be no earlier than 30 days after such written notice has been given, unless an earlier resignation date and the appointment of a successor Escrow Agent shall have been approved by Lessor and Lessee. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, Escrow Agent shall be entitled to tender into the custody of a court of competent jurisdiction all assets then held by it hereunder and shall thereupon be relieved of all further duties and obligations under this Escrow Agreement. Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder.

Section 7.3. Merger or Consolidation. Any entity into which Escrow Agent may be merged or converted, or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which Escrow Agent may sell or transfer all or substantially all of its corporate trust business (provided that such company shall be eligible under Section 7.1) shall be the successor to Escrow Agent without any execution or filing or further act.

ARTICLE VIII. ADMINISTRATIVE PROVISIONS.

Section 8.1. Notice. All written notices to be given under this Escrow Agreement shall be given by mail, by facsimile or by overnight courier to the party entitled thereto at its contact information specified on Schedule I, or at such contact information as the party may provide to the other parties hereto in writing from time to time. Any such notice shall be deemed to have been received 72 hours after deposit in the United States mail in registered or certified form, with postage fully prepaid, or if given by other means, when delivered at the address or facsimile number specified in Schedule I. Any notice given by any party shall be given to both other parties.

Section 8.2. Assignment. Except as expressly herein provided to the contrary, the rights and duties of each of the parties under this Escrow Agreement shall not be assignable to any person or entity without the written consent of all of the other parties. Notwithstanding the above, Lessor may freely assign all or any part of its interest in this Escrow Agreement and the Equipment Acquisition Fund in connection with an assignment by Lessor of its rights under the Lease.

Section 8.3. Binding Effect. This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

Section 8.4. Severability. In the event any provision of this Escrow Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.5. Entire Agreement; Amendments. This Escrow Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous writings, understandings, agreements, solicitation documents and representations, express or implied. By execution of this Escrow Agreement, Escrow Agent shall not be deemed or considered to be a party to any other document, including the Master Lease.

This Escrow Agreement may be amended, supplemented or modified only by written documents duly authorized, executed and delivered by each of the parties hereto.

Section 8.6. Captions. The captions or headings in this Escrow Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions, Articles, Sections or clauses hereof.

Section 8.7. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be necessary or proper to carry out the intention or to facilitate the performance of the parties under this Escrow Agreement, and for better assuring and confirming the rights and benefits provided herein.

Section 8.8. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the Commonwealth of Virginia.

Section 8.9. Execution in Counterparts. This Escrow Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Escrow Agreement.

Section 8.10. Waiver of Jury Trial. Lessor, Lessee and Escrow Agent hereby waive any right to trial by jury in any action or proceeding with respect to, in connection with or arising out of this Escrow Agreement.

Section 8.11. No Tax Reporting. Escrow Agent will not be responsible for tax reporting of any income on the Equipment Acquisition Fund.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

EXECUTION PAGE OF ESCROW AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the Date of Escrow Agreement shown on Schedule I.

SUNTRUST BANK,
Escrow Agent

**SUNTRUST EQUIPMENT FINANCE &
LEASING CORP.,**
Lessor

By: _____
Name:
Title:

By: _____
Name:
Title:

PLEASANT GROVE CITY, UT,
Lessee

[SEAL]

By: _____
Name: Bruce Call
Title: Mayor

Schedule I Information to Complete Escrow Agreement
Exhibit A Payment Request Form

SCHEDULE I
INFORMATION TO COMPLETE ESCROW AGREEMENT

Lease Number: 08089

Equipment Schedule: 003

Date of Escrow Agreement: October 25, 2013

Name of Lessee: PLEASANT GROVE CITY, UT

Lessee's State / Commonwealth: Utah

Escrow Agent Fee: \$250.00 (Escrow Agent)
Investment Fees, if any, are more fully defined on the attached prospectus, if any
Extension and other fees may be applicable if not disbursed by Ending Date.

Initial Deposit Amount: \$417,452.00

Date of Master Lease Agreement: July 11, 2011

Beneficiary Name for Fund: PLEASANT GROVE CITY, UT

Ending Date: **April 25, 2015**

Lessee's Address: 70 South 100 East
Pleasant Grove, UT 84062

Attention: Bruce Call

Lessee's Telephone: 801/785-5045

Lessee's Facsimile: _____

Lessee's Taxpayer Identification Number: 87-6000264

Lessee's Authorized Representatives Bruce Call, Mayor [name/title] _____ [signature]
_____ [name/title] _____ [signature]

Escrow Agent's Address: SunTrust Bank
919 East Main Street, 7th Floor
Richmond, VA 23219
Attention: Matthew Ward

Escrow Agent's Telephone: (804) 782-7182

Escrow Agent's Facsimile: (804) 782-7855

Lessor's Address: SUNTRUST EQUIPMENT FINANCE & LEASING CORP.
300 East Joppa Road, 7th Floor
Towson, Maryland 21286
Attention: Escrow Disbursement Coordinator

Lessor's Telephone: (410) 307-6749

Lessor's Facsimile: (410) 307-6665

Lessor's Taxpayer Identification Number: 26-1256148

Lease Number: 08089
Equipment Schedule: 003

EXHIBIT A

PAYMENT REQUEST FORM NO. _____

SUNTRUST BANK, as Escrow Agent under an Escrow Agreement dated as of October 25, 2013 (the "Escrow Agreement") by and among the Escrow Agent, **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, as Lessor, and **PLEASANT GROVE CITY, UT**, as Lessee, is hereby requested to pay, from the Equipment Acquisition Fund, to the person or entity designated below as payee, that amount set forth opposite each such name, in payment of the Acquisition Costs of the Equipment designated opposite such payee's name and described on the attached page(s). The terms capitalized in this Payment Request Form but not defined herein shall have the meanings assigned to them in the Escrow Agreement.

Payee

Amount

Equipment

The Lessee hereby certifies that:

1. Attached hereto is a duplicate original or certified copy of the following documents relating to the order, delivery and acceptance of the Equipment described in this Payment Request Form: (a) a manufacturer's or dealer's invoice; and (b) unless this Payment Request Form relates to partial payment of a Vendor, as defined in the Lease, in connection with a purchase order approved by Lessor, Lessee's Acceptance Certificate relating to the Equipment.

2. The representations and warranties contained in the Lease are true and correct as of the date hereof.

3. No Non-Appropriation or Event of Default, as each such term is defined in the Lease, or event which with the giving of notice or passage of time or both would constitute an Event of Default, has occurred.

Dated: _____, 20__.

PLEASANT GROVE CITY, UT,
Lessee

**SUNTRUST EQUIPMENT FINANCE &
LEASING CORP.,**
Lessor

By: _____
Name
Title:
Date: _____

By: _____
Name:
Title:
Date: _____

EXHIBIT G-1

Lease No.: 08089
Equipment Schedule: 03

TO: Utah Local Governments Trust
55 South Highway 89, Suite 100
North Salt Lake, UT 84054

Contact: Suzie Pope
Ph# 800-748-4440 / Fax# 801-936-0300

Gentlemen:

PLEASANT GROVE CITY, UT has entered into a Master Lease Agreement dated as of July 11, 2011 with **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**. In accordance with the Agreement, Lessee certifies that it has instructed the insurance agent named above to issue:

- a. All Risk Physical Damage Insurance on the leased Equipment evidenced by a **Certificate of Insurance and Long Form Loss Payable Clause naming SUNTRUST EQUIPMENT FINANCE & LEASING CORP. and/or its assigns as Loss Payee.**

The Coverage Required is **\$417,452.00.**

- b. Public Liability Insurance evidenced by a **Certificate of Insurance naming SUNTRUST EQUIPMENT FINANCE & LEASING CORP. and/or its assigns as Additional Insured.**

The following minimum coverage is required:

| | |
|------------------------------|--|
| Liability: | \$ 500,000.00 per person |
| Liability - Bodily Injury: | \$1,000,000.00 aggregate |
| Liability - Property Damage: | \$1,000,000.00 property damage liability |

PROPERTY: Sewer Vacuum Truck and Fitness Equipment

LOCATION: 323 West 700 South, Pleasant Grove /547 South Locust Ave, Pleasant Grove

Upon issuance of the coverage outlined above, please mail a certificate of insurance to SUNTRUST EQUIPMENT FINANCE & LEASING CORP., 300 East Joppa Road, 7th Floor, Towson, MD 21286.

Your courtesy in issuing and forwarding the requested certificate at your earliest convenience will be appreciated.

Very truly yours,

PLEASANT GROVE CITY, UT,

By: _____
Name: Bruce Call
Title: Mayor
Date: _____

**QUESTIONNAIRE FOR SELF-INSURANCE TO
MASTER LEASE AGREEMENT**

In connection with the Master Lease Agreement (the "Agreement"), dated as of July 11, 2011, made and entered into by and between **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, as Lessor (the "Lessor"), and the lessee identified below, as Lessee (the "Lessee"), Lessee warrants and represents to Lessor the following information. The terms capitalized herein but not defined herein shall have the meanings assigned to them in the Agreement.

1. Property Insurance.

- a. Lessee is self-insured for damage or destruction to the Equipment.

YES NO (circle one)

If yes, the dollar amount limit for property damage to the Equipment under the Lessee's self-insurance program is \$_____.

- b. The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for property damage to the Equipment as indicated above.

YES NO (circle one)

If yes, the umbrella policy provides coverage for all risk property damage.

YES NO (circle one)

If yes, the dollar limit for property damage to the Equipment under such umbrella policy is \$_____.

2. Liability Insurance.

- a. Lessee is self-insured for liability for injury or death of any person or damage or loss of property arising out of or relating to the condition or operation of the Equipment.

YES NO (circle one)

If yes, the dollar limit for such liability claims under the Lessee's self-insurance program is \$_____.

- b. The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for liability including injury or death of persons or damage to property as indicated above.

YES NO (circle one)

If yes, the umbrella policy provides coverage for liabilities for injury and death to persons as well as damage or loss of property arising out of or relating to the condition or operation of the Equipment.

YES NO (circle one)

If yes, the dollar amount of the umbrella policy's limits for such liability coverage is \$_____.

3A. Self Insurance Fund.

- a. Lessee maintains a self-insurance fund.

YES NO (circle one)

If yes, please complete the following:

Monies in the self-insurance fund are subject to annual appropriation.

YES NO (circle one)

The total amount maintained in the self-insurance fund to cover Lessee's self-insurance liabilities is \$_____.

- b. Amounts paid from the Lessee's self-insurance fund are subject to limitations for each claim.

YES NO (circle one)

If yes, the dollar amount of limit per claim is \$_____.

3B. No Self Insurance Fund.

- a. If Lessee does not maintain a self-insurance fund, please complete the following:
Lessee obtains funds to pay claims for which it has self-insured from the following sources:

- b. The limitations on the amounts payable for claims from the above sources are as follows:

4. Authority.

- a. The following entity or officer has authority to authorize payment for claim:
- b. In the event the entity or officer named in the prior response denies payment of a claim, does the claimant have recourse to another administrative officer, agency or the courts?
- YES NO (circle one)
- If yes, to whom does the claimant have recourse?

5. Certificates of Insurance.

Attached hereto are copies of certificates of insurance with respect to policies maintained by Lessee.

IN WITNESS WHEREOF, Lessee has caused this Questionnaire to be executed as a supplement to the representations of Lessee in the Agreement by its duly authorized officer.

PLEASANT GROVE CITY, UT,
Lessee

By: _____
Name: Bruce Call
Title: Mayor
Date: _____

Telephone: 801/785-5045
Facsimile: 801/785-8925

Attachment

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.

**ADDENDUM TO EQUIPMENT SCHEDULE NO. 03
TO MASTER LEASE AGREEMENT (LEASE NO. 08089)
RELATING TO SELF-INSURANCE**

THIS ADDENDUM is made as of October 25, 2013, between **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.** (the "Lessor") and **PLEASANT GROVE CITY, UT** (the "Lessee").

Recitals

- A. Lessor and Lessee have entered into a Master Lease Agreement dated as of July 11, 2011 (the "Agreement").
- B. Lessee desires to lease equipment described in Equipment Schedule No. 03 to the Agreement (the "Equipment") and Lessee has requested that Lessor lease such Equipment to Lessee.
- C. With respect to Equipment Schedule No. 03, Lessee has requested that Lessor permit it to provide self-insurance for liability claims and property damage.
- D. Lessor is willing to grant Lessee's request subject to the following terms and conditions.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein and in the Agreement, it is hereby agreed as follows:

1. The terms capitalized in this Addendum but not defined herein shall have the meanings assigned to them in the Agreement.
2. Lessee hereby represents and warrants that all representations and warranties contained in the Agreement are true and correct as of the date hereof and that neither a Non-Appropriation nor any Event of Default or event which, with the passage of time or giving of notice or both, would constitute an Event of Default has occurred under the Agreement.
3. All other terms and conditions of the Agreement not specifically amended by this Addendum shall remain in full force and affect and are hereby ratified and confirmed by Lessee.
4. Lessee represents and warrants that all representations and warranties contained in the Questionnaire for Self- Insurance to Master Lease Agreement (the "Questionnaire") are true and correct as of the date hereof.
5. Lessor acknowledges receipt of the Questionnaire and, in reliance upon the information provided therein, agrees that Lessee may satisfy the requirements of Sections 7.1 through 7.3 of the Agreement with respect to Equipment Schedule No. 03 through self-insurance.
6. By written notice to Lessee, Lessor may revoke its agreement relative to Equipment Schedule No. 03 to accept self-insurance in lieu of the insurance required by Section 7.1 through 7.3 of the Agreement at any time during the related Lease Term when Lessor deems itself insecure with respect to such self-insurance. Within thirty (30) days of receipt of notice from Lessor, Lessee agrees to obtain insurance in compliance with Section 7.1, 7.2 and 7.3 of the Agreement and provide evidence thereof to Lessor.

IN WITNESS WHEREOF, the parties by their duly authorized officers have executed this Addendum as of the date and year first above written.

PLEASANT GROVE CITY, UT,
Lessee

**SUNTRUST EQUIPMENT FINANCE &
LEASING CORP.,**
Lessor

By: _____
Name: Bruce Call
Title: Mayor
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

[PAGE TO BE REPLACED BY UCC FINANCING STATEMENT]

**SCHEDULE A TO FINANCING STATEMENT OF
PLEASANT GROVE CITY, UT, AS DEBTOR, AND
SUNTRUST EQUIPMENT FINANCE & LEASING CORP., AS SECURED PARTY**

Continuation of Collateral Description

The financing statement to which this Schedule A is attached covers the types of property described on the face of such financing statement and all of the Debtor's right, title and interest in and to (collectively, the "Collateral"):

Sewer Vacuum Truck and Fitness Equipment

(a) the equipment described in Equipment Schedule No. 03 dated as of October 25, 2013 (the "Equipment Schedule") to the Master Lease Agreement dated as of July 11, 2011 (the "Agreement," and together with the Equipment Schedule, the "Lease") between Debtor, as lessee, and Secured Party, as lessor, as such Lease may be amended, modified or supplemented from time to time together with all of Debtor's right, title and interest in and to the Equipment Acquisition Fund established in Debtor's name at **SUNTRUST BANK** (the "Escrow Agent") pursuant to the Escrow Agreement dated as of October 25, 2013 (the "Escrow Agreement") among Debtor, Secured Party and the Escrow Agent;

(b) to the extent not included in the foregoing, all books, ledgers and records and all computer programs, tapes, discs, punch cards, data processing software, transaction files, master files and related property and rights (including computer and peripheral equipment) necessary or helpful in enforcing, identifying or establishing any item of Collateral; and

(c) to the extent not included in the foregoing, all repairs, replacements, substitutions and modifications and all proceeds and products of any or all of the foregoing, whether existing on the date hereof or arising hereafter.

Documents required from the Lessee on the date of funding:

| Document | Required | Received | Notes |
|--|----------|----------|---|
| Master Lease Agreement | | | No. 08089, executed copy attached |
| Exhibit A - Equipment Schedule No. 3 | * | | *Please note that highlighted items in the document column is required on the date of funding |
| Acceptance Certificate | | | |
| Payment Schedule | * | | |
| Exhibit B-1 - Tax Agreement and Arbitrage Certificate | * | | |
| Exhibit C - Resolution of Governing Body | * | | |
| Exhibit D - Incumbency Certificate | * | | |
| Exhibit E - Opinion of Counsel | * | | |
| Exhibit F - Escrow Agreement, with its Schedule | * | | |
| Exhibit G-1 Confirmation of Outside Insurance | * | | |
| Exhibit G-2 Questionnaire for Self-Insurance to Lease and Addendum | * | | If not self-insured, please circle no to question 1 and execute signature page and Addendum |
| Form 8038-G | | | |
| Proof Property and Casualty Coverage | | | |
| Proof of Liability Coverage | | | |
| Check for Document Fees | * | | See attached invoice |
| Check for UCC Filing Fee | * | | See attached invoice |
| Check for First Payment | | | |
| Copies of Vendor Invoices | | | |
| Proof of Payment | | | |
| Pay Proceeds Ltr | * | | |
| Other | | | |

PLEASANT GROVE CITY, UT
INDEX TO LEGAL DOCUMENTS
BANK-QUALIFIED ESCROW

Master Lease Agreement; No. 08089

Exhibit A - Equipment Schedule No. 01;

Acceptance Certificate;

Payment Schedule;

Exhibit B-1 - Tax Agreement and Arbitrage Certificate;

Exhibit C-1 - Resolution of Governing Body;

Exhibit D - Incumbency Certificate;

Exhibit E - Opinion of Counsel;

Exhibit F - Escrow Agreement, with its Schedule I and Exhibit A;

Exhibit G-1 Confirmation of Outside Insurance;

Exhibit G-2 Questionnaire for Self-Insurance to Lease and Addendum;

UCC Financing Statements with attached Schedule A;

Form 8038-G.

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.

MASTER LEASE AGREEMENT

LEASE NUMBER 08089

This **MASTER LEASE AGREEMENT** (the "Agreement"), dated as of July 11, 2011 is made and entered into by and between **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, a Virginia corporation, as lessor (the "Lessor"), and **PLEASANT GROVE CITY, UT**, a political subdivision of the State of Utah, as lessee ("Lessee").

In consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. The following terms have the meanings specified below.

"Acceptance Certificate" means each Acceptance Certificate delivered by Lessee as part of an Equipment Schedule certifying as to the delivery, installation and acceptance of Equipment.

"Agreement" means this Master Lease Agreement and all Equipment Schedules hereto.

"Agreement Date" means the date first written above.

"Code" means the Internal Revenue Code of 1986, as amended, together with Treasury Regulations promulgated from time to time thereunder.

"Equipment" means all items of property described in Equipment Schedules and subject to this Agreement.

"Equipment Group" means each group of Equipment listed in a single Equipment Schedule.

"Equipment Schedule" means each sequentially numbered schedule executed by Lessor and Lessee with respect to Equipment Group.

"Escrow Account" means the equipment acquisition account established by Lessor and Lessee with the Escrow Agent pursuant to the Escrow Agreement.

"Escrow Agent" means **SUNTRUST BANK**, a Georgia banking corporation, and any successor escrow agent under the Escrow Agreement.

"Escrow Agreement" means the Escrow Agreement, substantially in the form of Exhibit F hereto, to be executed by Lessor, Lessee and the Escrow Agent upon the first funding of an Equipment Schedule using the procedure described in Section 2.4.

"Events of Default" means those events described in Section 12.1.

"Fiscal Year" means each 12-month fiscal period of Lessee.

"Funding Date" means, with respect to each Lease, the date Lessor makes payment to the Vendor(s) named in the related Equipment Schedule or reimburses Lessee for the purchase price of the related Equipment Group or, if the procedure described in Section 2.4 is utilized, the date Lessor deposits funds equal to such purchase price into the Escrow Account.

"Interest" means the portion of a Rental Payment designated as and comprising interest as provided in a Payment Schedule.

"Lease" means, with respect to each Equipment Group, this Agreement and the Equipment Schedule relating thereto, which together shall constitute a separate contract between Lessor and Lessee relating to such Equipment Group.

"Lease Date" means, with respect to each Lease, the date so designated in the related Equipment Schedule.

"Lease Term" means, with respect to each Equipment Group, the period during which the related Lease is in effect as specified in Section 3.1.

for any Equipment which is part of such Equipment Group and is subject to certificate of title laws; (h) a completed and executed Form 8038-G or 8038-GC, as applicable, or evidence of filing thereof with the Secretary of Treasury; (i) an opinion of counsel to the Lessee substantially in the form of Exhibit E hereto, and (j) any other documents or items reasonably required by Lessor.

Section 2.3. Lease; Possession and Use. Lessor hereby leases the Equipment to Lessee, and Lessee hereby leases the Equipment from Lessor, upon the terms and conditions set forth herein. Lessee shall have quiet use and enjoyment of and peaceably have and hold each Equipment Group during the related Lease Term, except as expressly set forth in this Agreement.

Section 2.4. Escrow Procedure. If Lessor and Lessee agree that the cost of an Equipment Group is to be paid from an Escrow Account: (a) Lessor and Lessee shall execute an Escrow Agreement substantially in the form of Exhibit F; (b) Lessor and Lessee shall execute an Equipment Schedule relating to such Equipment Group; and (c) Lessor shall deposit an amount equal to the cost of the Equipment Group into the Escrow Account. All amounts deposited by Lessor into the Escrow Account shall constitute a loan from Lessor to Lessee which shall be repaid by the Rental Payments due under the related Lease.

ARTICLE III. TERM

Section 3.1. Term. This Agreement shall be in effect from the Agreement Date until the earliest of (a) termination under Section 3.2 or (b) termination under Section 12.2; provided, however, no Equipment Schedules shall be executed after any Non-Appropriation or Event of Default. Each Lease with respect to an Equipment Group shall be in effect for a Lease Term commencing upon the Lease Date and ending as provided in Section 3.5.

Section 3.2. Termination by Lessee. In the sole event of Non-Appropriation, this Agreement and each Lease hereunder shall terminate, in whole, but not in part, as to all Equipment effective upon the last day of the Fiscal Year for which funds were appropriated, in the manner and subject to the terms specified in this Article. Lessee may effect such termination by giving Lessor a written notice of termination and by paying to Lessor any Rental Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year. Lessee shall endeavor to give notice of such termination not less than ninety (90) days prior to the end of the Fiscal Year for which appropriations were made, and shall notify Lessor of any anticipated termination. In the event of termination of this Agreement as provided in this Section, Lessee shall comply with the instructions received from Lessor in accordance with Section 12.3.

Section 3.3. Effect of Termination. Upon termination of this Agreement as provided in Section 3.2, Lessee shall not be responsible for the payment of any additional Rental Payments coming due in succeeding Fiscal Years, but if Lessee has not complied with the instructions received from Lessor in accordance with Section 12.3, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments that would thereafter have come due if this Agreement had not been terminated and which are attributable to the number of days after which Lessee fails to comply with Lessor's instructions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required.

Section 3.4. Non-substitution. If this Agreement is terminated by Lessee in accordance with Section 3.2, to the extent permitted by State law, Lessee agrees not to purchase, lease, rent, borrow, seek appropriations for, acquire or otherwise receive the benefits of any personal property to perform the same functions as, or functions taking the place of, those performed by any of the Equipment, and agrees not to permit such functions to be performed by its own employees or by any agency or entity affiliated with or hired by Lessee, for a period of one year following such termination; provided, however, these restrictions shall not be applicable in the event the Equipment shall be sold by Lessor and the amount received from such sale, less all costs of such sale, is sufficient to pay the then applicable Prepayment Prices relating thereto as set forth in the Equipment Schedules; or to the extent the application of these restrictions is unlawful and would affect the validity of this Agreement.

Section 3.5. Termination of Lease Term. The Lease Term with respect to any Lease will terminate upon the occurrence of the first of the following events: (a) the termination of this Agreement by Lessee in accordance with Section 3.2; (b) the payment of the Prepayment Price by Lessee pursuant to Article V; (c) an Event of Default by Lessee and Lessor's election to terminate such Lease pursuant to Article XII; or (d) the payment by Lessee of all Rental Payments and all other amounts authorized or required to be paid by Lessee pursuant to such Lease.

ARTICLE IV. RENTAL PAYMENTS

Section 4.1. Rental Payments. The Lessee agrees to pay the Rental Payments due as specified in the Payment Schedule in Exhibit A. A portion of each Rental Payment is paid as interest as specified in the Payment Schedule of each lease, and the first Rental Payment will include Interest accruing from the Funding Date. Lessor is authorized to insert the due date of the first Rental Payment in the Payment Schedule in Exhibit A. All Rental Payments shall be paid to Lessor, or to such assignee(s) Lessor has assigned as stipulated in Article XI, at such places as Lessor or such assignee(s) may from time to time designate by written notice to Lessee. Lessee shall pay the Rental Payments with lawful money of the United States of America from moneys legally available therefor.

Section 4.2. Current Expense. The obligations of Lessee, including its obligation to pay the Rental Payments due in any Fiscal Year of a

"Net Proceeds" means any insurance proceeds or condemnation awards paid with respect to any Equipment remaining after payment therefrom of all expenses incurred in the collection thereof.

"Non-Appropriation" means the failure of Lessee, Lessee's governing body, or, if applicable, the governmental entity from which Lessee obtains its operating and/or capital funds to appropriate money for any Fiscal Year sufficient for the continued performance by Lessee of all of Lessee's obligations under this Agreement, as evidenced by the passage of an ordinance or resolution specifically prohibiting Lessee from performing its obligations under this Agreement with respect to any Equipment, and from using any moneys to pay any Rental Payments due under this Agreement for a designated Fiscal Year and all subsequent Fiscal Years.

"Payment Date" means each date upon which a Rental Payment is due and payable as provided in a Payment Schedule.

"Payment Schedule" means the schedule of Rental Payments attached to an Equipment Schedule.

"Principal" means the portion of any Rental Payment designated as and comprising principal as provided in a Payment Schedule.

"Prepayment Price" means the amount so designated and set forth opposite a Payment Date in a Payment Schedule indicating the amount for which Lessee may purchase the related Equipment Group as of such Payment Date after making the Rental Payment due on such Payment Date.

"Rental Payment" means each payment due from Lessee to Lessor on a Payment Date.

"Specifications" means the bid specifications and/or purchase order pursuant to which Lessee has ordered any Equipment from a Vendor.

"State" means the state or commonwealth in which Lessee is situated.

"Vendor" means each of the manufacturers or vendors from which Lessee has ordered or with which Lessee has contracted for the manufacture, delivery and/or installation of the Equipment.

Section 1.2. Exhibits.

Exhibit A: Equipment Schedule including form of Acceptance Certificate and form of Payment Schedule.

Exhibit B-1: Form of Tax Agreement and Arbitrage Certificate (Escrow).

Exhibit C-1: Form of Resolution of the Governing Body of Lessee relating to each Lease (Escrow).

Exhibit D: Form of Incumbency Certificate as to each officer or representative of Lessee executing this Agreement or any Lease.

Exhibit E: Form of Opinion of Independent Counsel to Lessee.

Exhibit F: Form of Escrow Agreement.

Exhibit G-1: Form of Confirmation of Outside Insurance.

Exhibit G-2: Form of Questionnaire for Self-Insurance and Addendum to Equipment Schedule Relating to Self-Insurance.

ARTICLE II. LEASE OF EQUIPMENT

Section 2.1. Acquisition of Equipment. Prior to the addition of any Equipment Group, Lessee shall provide Lessor with a description of the equipment proposed to be subject to a Lease hereunder, including the cost and vendor of such equipment, the expected delivery date and the desired lease terms for such equipment, and such other information as the Lessor may require. If Lessor, in its sole discretion, determines the proposed equipment may be subject to a Lease hereunder, Lessor shall furnish to Lessee a proposed Equipment Schedule relating to the Equipment Group for execution by Lessee and then Lessor. By execution hereof, Lessor has made no commitment to lease any equipment to Lessee.

Section 2.2. Disbursement. Lessor shall have no obligation to make any disbursement to a Vendor or reimburse Lessee for any payment made to a Vendor for an Equipment Group (or, if the escrow procedure described in Section 2.4 hereof is utilized, consent to a disbursement by the Escrow Agent) until five (5) business days after Lessor has received all of the following in form and substance satisfactory to Lessor: (a) a completed Equipment Schedule executed by Lessee; (b) an Acceptance Certificate in the form included with Exhibit A hereto; (c) a resolution or evidence of other official action taken by or on behalf of the Lessee to authorize the acquisition of the Equipment Group on the terms provided in such Equipment Schedule; (d) a Tax Agreement and Arbitrage Certificate in the form of Exhibit B-1 (as applicable) attached hereto; (e) evidence of insurance with respect to the Equipment Group in compliance with Article VII of this Agreement; (f) Vendor invoice(s) and/or bill(s) of sale relating to the Equipment Group, and if such invoices have been paid by Lessee, evidence of payment thereof and evidence of official intent to reimburse such payment as required by the Code; (g) financing statements naming Lessee as debtor and/or the original certificate of title or manufacturer's certificate of origin and title application, if any,

Lease Term, shall constitute a current expense of Lessee for such Fiscal Year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee of any taxes or other moneys (other than moneys lawfully appropriated from time to time by or for the benefit of Lessee for this Agreement and the Net Proceeds of the Equipment) to the payment of any Rental Payment or other amount coming due hereunder.

Section 4.3. Unconditional Rental Payments. The Lessee's obligation to make Rental Payments shall be absolute and unconditional. Also, any other payments required hereunder shall be absolute and unconditional. Lessee shall make these payments when due and shall not withhold any of these payments pending final resolution of any disputes. The Lessee shall not assert any right of set-off or counterclaim against its obligation to make these payments. Lessee's obligation to make Rental Payments or other payments shall not be abated through accident, unforeseen circumstances, failure of the Equipment to perform as desired, damage or destruction to the Equipment, loss of possession of the Equipment or obsolescence of the Equipment. The Lessee shall be obligated to continue to make payments required of it by this Agreement if title to, or temporary use of, the Equipment or any part thereof shall be taken under exercise of the power of eminent domain.

ARTICLE V. OPTION TO PREPAY

Section 5.1. Option to Prepay. Lessee shall have the option to prepay its obligations under any Lease in whole but not in part on any Payment Date for the then applicable Prepayment Price (which shall include a prepayment fee) as set forth in the related Payment Schedule, provided there has been no Non-Appropriation or Event of Default.

Section 5.2. Exercise of Option. Lessee shall give notice to Lessor of its intention to exercise its option not less than thirty (30) days prior to the Payment Date on which the option will be exercised and shall pay to Lessor not later than such Payment Date an amount equal to all Rental Payments and any other amounts then due or past due under the related Lease (including the Rental Payment due on the Payment Date on which the option shall be effective and the applicable Prepayment Price set forth in the related Payment Schedule. In the event that all such amounts are not received by Lessor on such Payment Date, such notice by Lessee of exercise of its option to prepay shall be void and the related Lease shall continue in full force and effect.

Section 5.3. Release of Lessor's Interest. Upon receipt of the Prepayment Price in good funds with respect to any Equipment Group, the Lease with respect to such Equipment Group shall terminate and Lessee shall become entitled to such Equipment Group AS IS, WHERE IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that such Equipment Group shall not be subject to any lien or encumbrance created by or arising through Lessor.

ARTICLE VI. REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 6.1. Representations and Warranties of Lessee. Lessee represents and warrants as of the Agreement Date and as of each Lease Date as follows:

- (a) Lessee is a state or political subdivision of the State within the meaning of Section 103(c) of the Code, duly organized and existing under the Constitution and laws of the State, and is authorized under the Constitution and laws of the State to enter into this Agreement, each Lease and the transactions contemplated hereby and thereby, and to perform all of its obligations under this Agreement and each Lease.
- (b) The execution and delivery of this Agreement and each Lease have been duly authorized by all necessary action of Lessee's governing body and such action is in compliance with all public bidding and other State and federal laws applicable to this Agreement, each Lease and the acquisition and financing of the Equipment by Lessee.
- (c) This Agreement and each Lease have been duly executed and delivered by and constitutes the valid and binding obligation of Lessee, enforceable against Lessee in accordance with their respective terms.
- (d) The execution, delivery and performance of this Agreement and each Lease by Lessee shall not (i) violate any State or federal law or local law or ordinance, or any order, writ, injunction, decree, or regulation of any court or other governmental agency or body applicable to Lessee, or (ii) conflict with or result in the breach or violation of any term or provision of, or constitute a default under, any note, bond, mortgage, indenture, agreement, deed of trust, lease or other obligation to which Lessee is bound.
- (e) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Agreement or any Lease or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement or any Lease.
- (f) No lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which Lessee has been a party at any time during the past ten (10) years has been terminated by Lessee as a result of insufficient funds being appropriated in any Fiscal Year. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which Lessee has issued during the past ten (10) years.

(g) Lessee or Lessee's governing body has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments during the current Fiscal Year, and such moneys will be applied in payment of all Rental Payments due and payable during such current Fiscal Year.

(h) Lessee has an immediate need for, and expects to make immediate use of, the Equipment, which need is not temporary or expected to diminish during the applicable Lease Term. Lessee presently intends to continue each Lease hereunder for its entire Lease Term and to pay all Rental Payments relating thereto.

Section 6.2. Covenants of Lessee. Lessee agrees that so long as any Rental Payments or other amounts due under this Agreement remain unpaid:

(a) Lessee shall not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or regulation or in a manner contrary to that contemplated by this Agreement. Lessee shall obtain and maintain all permits and licenses necessary for the installation and operation of the Equipment. Lessee shall not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition would change or impair the originally intended functions, value or use of such Equipment.

(b) Lessee shall provide Lessor access at all reasonable times to examine and inspect the Equipment and provide Lessor with such access to the Equipment as may be reasonably necessary to perform maintenance on the Equipment in the event of failure by Lessee to perform its obligations hereunder.

(c) Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or other claim with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein provided. Lessee shall promptly, at its own expense, take such actions as may be necessary duly to discharge or remove any such claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such claim.

(d) The person or entity in charge of preparing Lessee's budget will include in the budget request for each Fiscal Year the Rental Payments to become due during such Fiscal Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Fiscal Year sufficient to pay all Rental Payments coming due therein. Lessor acknowledges that appropriation for Rental Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform. Lessee acknowledges that this Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the applicable Lease Terms.

(e) Lessee shall assure that its obligation to pay Rental Payments is not directly or indirectly secured by any interest in property, other than the Equipment, and that the Rental Payments will not be directly or indirectly secured by or derived from any payments of any type or any fund other than Lessee's general purpose fund.

(f) Upon Lessor's request, Lessee shall provide Lessor with current financial statements, budgets, and proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Lessee to continue this Agreement and each Lease as may be reasonably requested by Lessor.

(g) Lessee shall promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

Section 6.3. Tax Related Representations, Warranties and Covenants.

(a) *Incorporation of Tax Agreement and Arbitrage Certificate.* As of each Lease Date and with respect to each Lease, Lessee makes each of the representations, warranties and covenants contained in the Tax Agreement and Arbitrage Certificate delivered with respect to such Lease. By this reference each such Tax Agreement and Arbitrage Certificate is incorporated in and made a part of this Agreement.

(b) *Event of Taxability.* If Lessor either (i) receives notice, in any form, from the Internal Revenue Service or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor, that Lessor may not exclude any Interest paid under any Lease from its Federal gross income (each an "Event of Taxability"), the Lessee shall pay to Lessor upon demand (x) an amount which, with respect to Rental Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the Interest due through the date of such event), will restore to Lessor its after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of Rental Payments and reinvestment at the after-tax yield rate) on the transaction evidenced by such Lease through the date of such event and (y) as additional Rental Payments to Lessor on each succeeding Payment Date such amount as will maintain such after-tax yield to Lessor.

ARTICLE VII. INSURANCE AND RISK OF LOSS

Section 7.1. Liability and Property Insurance. Lessee shall, at its own expense, procure and maintain continuously in effect during each Lease Term: (a) public liability insurance for death or injuries to persons, or damage to property arising out of or in any way connected to the Equipment sufficient to protect Lessor and/or assigns from liability in all events, with a coverage of not less than \$1,000,000 per occurrence unless specified differently in the related Equipment Schedule, and (b) insurance against such hazards as Lessor may require, including, but not limited to, all-risk casualty and property insurance, in an amount equal to the greater of the full replacement cost of the Equipment or the applicable Prepayment Price of each Equipment Group.

Section 7.2. Workers' Compensation Insurance. If required by State law, Lessee shall carry workers' compensation insurance covering all employees on, in, near or about the Equipment, and upon request, shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term.

Section 7.3. Insurance Requirements.

(a) *Insurance Policies.* All insurance policies required by this Article shall be taken out and maintained with insurance companies acceptable to Lessor and shall contain a provision that thirty (30) days prior to any change in the coverage the insurer must provide written notice to the insured parties. No insurance shall be subject to any co-insurance clause. Each insurance policy shall name Lessor and/or its assigns as an additional insured party and loss payee regardless of any breach of warranty or other act or omission of Lessee and shall include a lender's loss payable endorsement for the benefit of Lessor and/or is assigns. Prior to the delivery of Equipment, Lessee shall deposit with Lessor evidence satisfactory to Lessor of such insurance and, prior to the expiration thereof, shall provide Lessor evidence of all renewals or replacements thereof.

(b) *Self Insurance.* With Lessor's prior consent, Lessee may self-insure the Equipment by means of an adequate insurance fund set aside and maintained for that purpose which must be fully described in a letter delivered to Lessor in form acceptable to Lessor.

(c) *Evidence of Insurance.* Lessee shall deliver to Lessor upon acceptance of any Equipment evidence of insurance which complies with this Article VII with respect to such Equipment to the satisfaction of Lessor, including, without limitation, the confirmation of insurance in the form of Exhibit G-1 attached hereto together with Certificates of Insurance, when available, or the Questionnaire for Self-Insurance and Addendum to Equipment Schedule Relating to Self-Insurance in the form of Exhibit G-2 attached hereto, as applicable.

Section 7.4. Risk of Loss. To the extent permitted by applicable laws of the State, as between Lessor and Lessee, Lessee assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to any Equipment and for injury to or death of any person or damage to any property. Whether or not covered by insurance, Lessee hereby assumes responsibility for and agrees to indemnify Lessor from all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses, including reasonable attorneys' fees, imposed on, incurred by or asserted against Lessor that relate to or arise out of this Agreement, including but not limited to, (a) the selection, manufacture, purchase, acceptance or rejection of Equipment or the ownership of the Equipment, (b) the delivery, lease, possession, maintenance, use, condition, return or operation of the Equipment, (c) the condition of the Equipment sold or otherwise disposed of after possession by Lessee, (d) the conduct of Lessee, its officers, employees and agents, (e) a breach of Lessee of any of its covenants or obligations hereunder, (f) any claim, loss, cost or expense involving alleged damage to the environment relating to the Equipment, including, but not limited to investigation, removal, cleanup and remedial costs, and (g) any strict liability under the laws or judicial decisions of any state or the United States. This provision shall survive the termination of this Agreement.

Section 7.5. Destruction of Equipment. Lessee shall provide a complete written report to Lessor immediately upon any loss, theft, damage or destruction of any Equipment and of any accident involving any Equipment. Lessor may inspect the Equipment at any time and from time to time during regular business hours. If all or any part of the Equipment is stolen, lost, destroyed or damaged beyond repair ("Damaged Equipment"), Lessee shall within thirty (30) days after such event either: (a) replace the same at Lessee's sole expense with equipment having substantially similar Specifications and of equal or greater value to the Damaged Equipment immediately prior to the time of the loss occurrence, such replacement equipment to be subject to Lessor's approval, whereupon such replacement equipment shall be substituted in the applicable Lease and the other related documents by appropriate endorsement or amendment; or (b) pay the applicable Prepayment Price of the Damaged Equipment determined as set forth in the related Equipment Schedule. Lessee shall notify Lessor of which course of action it will take within fifteen (15) days after the loss occurrence. If, within forty-five (45) days of the loss occurrence, (a) Lessee fails to notify Lessor; (b) Lessee and Lessor fail to execute an amendment to the applicable Equipment Schedule to delete the Damaged Equipment and add the replacement equipment or (c) Lessee has failed to pay the applicable Prepayment Price, then Lessor may, at its sole discretion, declare the applicable Prepayment Price of the Damaged Equipment, to be immediately due and payable. The Net Proceeds of insurance with respect to the Damaged Equipment shall be made available by Lessor to be applied to discharge Lessee's obligation under this Section.

ARTICLE VIII. OTHER OBLIGATIONS OF LESSEE

Section 8.1. Maintenance of Equipment. Lessee shall notify Lessor in writing prior to moving the Equipment to another address and shall otherwise keep the Equipment at the address specified in the related Equipment Schedule. Lessee shall, at its own expense, maintain the Equipment in proper working order and shall make all necessary repairs and replacements to keep the Equipment in such condition including compliance with State and federal laws. Any and all replacement parts must be free of encumbrances and liens. All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Equipment and as such, shall be subject to the terms of this Agreement.

Section 8.2. Taxes. Lessee shall pay all taxes and other charges which are assessed or levied against the Equipment, the Rental Payments or any part thereof, or which become due during the Lease Term, whether assessed against Lessee or Lessor, except as expressly limited by this Section. Lessee shall pay all utilities and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment, and all special assessments and charges lawfully made by any governmental body that may be secured by a lien on the Equipment. Lessee shall not be required to pay any federal, state or local income, succession, transfer, franchise, profit, excess profit, capital stock, gross receipts, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section.

Section 8.3. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may take such action to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest at the rate of 18% per annum or the maximum rate permitted by law, whichever is less, from the date of the advance to the date of repayment.

ARTICLE IX. TITLE

Section 9.1. Title. During the Lease Term, ownership and legal title of all Equipment and all replacements, substitutions, repairs and modification shall be in Lessee and Lessee shall take all action necessary to vest such ownership and title in Lessee. Lessor does not own the Equipment and by this Agreement and each Lease is merely financing the acquisition of such equipment for Lessee. Lessor has not been in the chain of title of the Equipment, does not operate, control or have possession of the Equipment and has no control over the Lessee or the Lessee's operation, use, storage or maintenance of the Equipment.

Section 9.2. Security Interest. Lessee hereby grants to Lessor a continuing, first priority security interest in and to the Equipment, all repairs, replacements, substitutions and modifications thereto and all proceeds thereof and in the Escrow Account (if any) in order to secure Lessee's payment of all Rental Payments and the performance of all other obligations. Lessee hereby authorizes Lessor to prepare and file such financing statements and other such documents to establish and maintain Lessor's valid first lien and perfected security interest. Lessee will join with Lessor in executing such documents and will perform such acts as Lessor may request to establish and maintain Lessor's valid first lien and perfected security interest. If requested by Lessor, Lessee shall obtain a landlord and/or mortgagee's consent and waiver with respect to the Equipment. If requested by Lessor, Lessee shall conspicuously mark the Equipment, and maintain such markings during the Lease Term, to clearly disclose Lessor's security interest in the Equipment. Upon termination of a Lease through exercise of Lessee's option to prepay pursuant to Article V or through payment by Lessee of all Rental Payments and other amounts due with respect to an Equipment Group, Lessor's security interest in such Equipment Group shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request to evidence the termination of Lessor's security interest in such Equipment Group.

Section 9.3. Modification of Equipment. Lessee will not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition will change or impair the originally intended value, function or use of the Equipment.

Section 9.4. Personal Property. The Equipment is and shall at all times be and remain personal property and not fixtures.

ARTICLE X. WARRANTIES

Section 10.1. Selection of Equipment. Each Vendor and all of the Equipment have been selected by Lessee. Lessor shall have no responsibility in connection with the selection of the Equipment, the ordering of the Equipment, its suitability for the use intended by Lessee, the acceptance by any Vendor or its sales representative of any order submitted, or any delay or failure by such Vendor or its sales representative to manufacture, deliver or install any Equipment for use by Lessee.

Section 10.2. Vendor's Warranties. Lessor hereby assigns to Lessee for and during the related Lease Term, all of its interest, if any, in all Vendor's warranties, guarantees and patent indemnity protection, express or implied issued on or applicable to an Equipment Group, and Lessee may obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessor has no obligation to enforce any Vendor's warranties or obligations on behalf of itself or Lessee.

Section 10.3. Disclaimer of Warranties. LESSEE ACKNOWLEDGES THAT THE EQUIPMENT IS OF A SIZE, DESIGN, CAPACITY, AND MANUFACTURE SELECTED BY LESSEE. LESSEE ACKNOWLEDGES THAT IT SELECTED THE EQUIPMENT WITHOUT ASSISTANCE OF LESSOR, ITS AGENTS OR EMPLOYEES. LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT, AND DOES NOT INSPECT THE EQUIPMENT BEFORE

DELIVERY TO LESSEE. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EQUIPMENT OR LESSEE'S USE OF THE EQUIPMENT.

ARTICLE XI. ASSIGNMENT AND SUBLEASING

Section 11.1. Assignment by Lessor. Lessor, without Lessee's consent, may assign and reassign all of Lessor's right, title and/or interest in and to this Agreement or any Lease, including, but not limited to, the Rental Payments and other amounts payable by Lessee and Lessor's interest in the Equipment, in whole or in part to one or more assignees or subassignee(s) by Lessor at any time. No such assignment shall be effective as against Lessee unless and until written notice of the assignment is provided to Lessee. When presented with a notice of assignment, Lessee will acknowledge in writing receipt of such notice for the benefit of Lessor and any assignee. Lessee shall keep a complete and accurate record of all such assignments.

Section 11.2. Assignment and Subleasing by Lessee. Neither this Agreement nor any Lease or any Equipment may be assigned, subleased, sold, transferred, pledged or mortgaged by Lessee.

ARTICLE XII. EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The occurrence of any of the following events shall constitute an Event of Default under this Agreement and each Lease:

- (a) Lessee's failure to pay, within ten (10) days following the due date thereof, any Rental Payment or other amount required to be paid to Lessor (other than by reason of Non-Appropriation).
- (b) Lessee's failure to maintain insurance as required by Article VII.
- (c) With the exception of the above clauses (a) & (b), Lessee's failure to perform or abide by any condition, agreement or covenant for a period of thirty (30) days after written notice by Lessor to Lessee specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of time prior to its expiration.
- (d) Lessor's determination that any representation or warranty made by Lessee in this Agreement was untrue in any material respect upon execution of this Agreement or any Equipment Schedule.
- (e) The occurrence of an Event of Taxability.
- (f) The filing of a petition in bankruptcy by or against Lessee, or failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental functions or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of any adjustment of indebtedness of Lessee, or the dissolution or liquidation of Lessee.

Section 12.2. Remedies on Default. Upon the occurrence of any Event of Default, Lessor shall have the right, at its option and without any further demand or notice to one or more or all of the following remedies:

- (a) Lessor, with or without terminating this Agreement or any Lease, may declare all Rental Payments immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable.
- (b) Lessor, with or without terminating this Agreement or any Lease, may repossess any or all of the Equipment by giving Lessee written notice to deliver such Equipment in the manner provided in Section 12.3; or in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where such Equipment is kept and take possession of such Equipment and charge Lessee for costs incurred, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. If the Equipment or any portion has been destroyed, Lessee shall pay the applicable Prepayment Price of the destroyed Equipment as set forth in the related Payment Schedule. Regardless of the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments due during the Fiscal Year.
- (c) If Lessor terminates this Agreement and/or any Lease and, in its discretion, takes possession and disposes of any or all of the Equipment, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the applicable Prepayment Prices of the Equipment Groups; and (v) the balance of any Rental Payments owed by Lessee during the Fiscal Year then in effect. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii), (iv) and (v) have been met shall be paid to Lessee.
- (d) Lessor may take any other remedy available, at law or in equity, with respect to such Event of Default, including those requiring Lessee to perform any of its obligations or to pay any moneys due and payable to Lessor and Lessee shall pay the reasonable attorneys' fees and expenses incurred by Lessor in enforcing any remedy hereunder.

(e) Each of the foregoing remedies is cumulative and may be enforced separately or concurrently.

Section 12.3. Return of Equipment: Release of Lessee's Interest. Upon termination of any Lease prior to the payment of all related Rental Payments or the applicable Prepayment Price (whether as result of Non-Appropriation or Event of Default), Lessee shall, within ten (10) days after such termination, at its own expense: (a) perform any testing and repairs required to place the related Equipment in the condition required by Article VIII; (b) if deinstallation, disassembly or crating is required, cause such Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c) return such Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to return such Equipment in the manner designated, Lessor may repossess the Equipment without demand or notice and without court order or legal process and charge Lessee the costs of such repossession. Upon termination of this Agreement in accordance with Article III or Article XII hereof, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor. Lessee shall have no further interest therein. Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

Section 12.4 Late Charge. Lessor shall have the right to require late payment charge for each Rental or any other amount due hereunder which is not paid within 10 days of the date when due equal to the lesser of 5% of each late payment or the legal maximum. This Section is only applicable to the extent it does not affect the validity of this Agreement.

ARTICLE XIII. MISCELLANEOUS PROVISIONS

Section 13.1. Notices. All written notices to be given under this Agreement shall be given by mail to the party entitled thereto at its address specified beneath each party's signature, or at such address as the party may provide to the other parties hereto in writing from time to time. Any such notice shall be deemed to have been received 72 hours after deposit in the United States mail in registered or certified form, with postage fully prepaid, or, if given by other means, when delivered at the address specified in this Section 13.1.

Section 13.2. Binding Effect. This Agreement and each Lease hereunder shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective successors and assigns. Specifically, as used herein the term "Lessor" means any person or entity to whom Lessor has assigned its right to receive Rental Payments under any Lease.

Section 13.3. Severability. In the event any provision of this Agreement or any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.4. Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous writings, understandings, agreements, solicitation documents and representations, express or implied. This Agreement may be amended or modified only by written documents duly authorized, executed and delivered by Lessor and Lessee.

Section 13.5. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions, Articles, Sections or Clauses hereof.

Section 13.6. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Agreement. Lessee hereby authorizes Lessor to file any financing statement or supplements thereto as may be reasonably required for correcting any inadequate description of the Equipment hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Agreement.

Section 13.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 13.8. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary herein or in any Equipment Schedule, in no event shall this Agreement or any Lease hereunder require the payment or permit the collection of Interest or any amount in the nature of Interest or fees in excess of the maximum amount permitted by applicable law. Any such excess Interest or fees shall first be applied to reduce Principal, and when no Principal remains, refunded to Lessee. In determining whether the Interest paid or payable exceeds the highest lawful rate, the total amount of Interest shall be spread through the applicable Lease Term so that the Interest is uniform through such term.

Section 13.9. Lessee's Performance. A failure or delay of Lessor to enforce any of the provisions of this Agreement or any Lease shall in no way be construed to be a waiver of such provision.

Section 13.10. Waiver of Jury Trial. Lessor and Lessee hereby waive any right to trial by jury in any action or proceeding with respect to, in connection with or arising out of this Agreement.

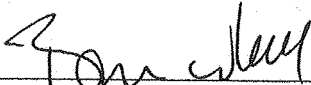
Section 13.11. USA Patriot Act Compliance Notification. Along with all other U.S. Financial institutions, we began complying with Section 326 of the USA Patriot Act effective October 1, 2003. Designed to assist the government in preventing the funding of terrorist and money laundering activities, this section of the USA Patriot Act requires us to know the business entities that are new to

EXECUTION PAGE OF MASTER LEASE AGREEMENT

LEASE NUMBER 08089

IN WITNESS WHEREOF, Lessor has caused this Agreement to be executed in its corporate name by its duly authorized officer, and Lessee has caused this Agreement to be executed in its name by its duly authorized officer.

PLEASANT GROVE CITY, UT,
Lessee

By: 
Name: Bruce Call
Title: Mayor
Date: 7-5-2011

Address: 70 South 100 East
Pleasant Grove, UT 84062

Telephone: 801/785-5045
Facsimile:
E-mail address: bcall@pgcity.org

SUNTRUST EQUIPMENT FINANCE &
LEASING CORP.,
Lessor

By: 
Name: Mike Furnari
Title: Vice President
Date:

Address: 300 East Joppa Road, 7th Floor
Towson, MD 21286

Telephone: 410/307-6648
Facsimile: 410/307-6702



SENT VIA EMAIL

dlundell@pgcity.org

October 16, 2013

Pleasant Grove City
Dean Lundell
Finance Director
70 South 100 East
Pleasant Grove, UT 84062

Re: Equipment Schedule #08089-003

Dear Mr. Lundell:

Enclosed you will find the following documentation with regards to financing equipment for your review and execution:

Schedule Documentation:

- Master Lease Agreement No. 08089, executed copy attached
- Exhibit A-Equipment Schedule No. 03
- Acceptance Certificate
- Payment Schedule
- Exhibit B-1-Tax Agreement and Arbitrage Certificate
- Exhibit C-1-Resolution of Governing Body
- Exhibit D-Incumbency Certificate
- Exhibit E-Opinion of Counsel Letter-**DATED October 25, 2013**
- Exhibit F- Escrow Agreement, with its Schedule I and Exhibit A;
- Exhibit G-1- Confirmation of Outside Insurance
- Exhibit G-2-Questionnaire for Self-Insurance to Lease and Addendum
- Form 8038-G

Please be sure to return all executed original documents along with the “original” Attorney Opinion Letter and a check payable to SunTrust Equipment Finance & Leasing Corp., in the amount of \$175.00 (see attached invoice) to cover the Documentation and UCC Filing fees.

In order to avoid any potential Rate increase, please return the enclosed executed documents and the legal opinion letter dated **Friday October 25, 2013**, via priority express delivery service (ex. Fed Ex or UPS), for the earliest delivery available as follows:

Alicia Clark 410-307-6690
SunTrust Equipment Finance & Leasing Corp.
300 East Joppa Road, 7th Floor
Towson, MD 21286

If you should have any questions or comments, please call me directly at 410-307-6690 or via email at alicia.clark@suntrust.com

Sincerely,

Alicia Clark
Documentation Specialist

Remit To: SunTrust Equipment Finance & Leasing Corp.
300 E. Joppa Road, 7th Floor
Towson, MD 21286



RE: Master Lease Agreement Lease Number 08089 between
SUNTRUST EQUIPMENT FINANCE & LEASING CORP. ("Lessor") and PLEASANT GROVE CITY
("Lessee") ("Agreement")

Reference: SLC 443-40-08089-003

| | | |
|-------------------|----|--------|
| DOCUMENTATION FEE | \$ | 100.00 |
| UCC FILING FEE | \$ | 75.00 |

| | | |
|-----------|----|---------------|
| TOTAL DUE | \$ | <u>175.00</u> |
|-----------|----|---------------|

Christine Petersen

From: Dean Lundell
Sent: Thursday, October 10, 2013 3:32 PM
To: Christine Petersen
Subject: Equipment List

Here is the list of the equipment to be purchased

Vacall Truck - \$352,452

Rec Center Equipment - \$65,000

- 2 Incline Trainers
- 2 EFX – Moving Handbars
- 2 Adaptive Motion Trainers
- 1 Climbmill
- 2 Upright Cycles
- 2 Krankcycles
- 4 Indoor Cycles
- 1 Jacobs Ladder
- 2 keiser M3

Dean Lundell

Finance Director



SUNTRUST EQUIPMENT FINANCE & LEASING CORP.

DISBURSEMENT AUTHORIZATION

October 25, 2013

SunTrust Equipment Finance & Leasing Corp.
300 E. Joppa Road, 7th Floor
Towson, Maryland 21286

Gentlemen:

In connection with Equipment Schedule No. 03 to that certain Master Lease Agreement No. 08089 dated July 11, 2011 executed between SunTrust Equipment Finance & Leasing Corp. and the Lessee identified below, Lessee hereby directs SunTrust Equipment Finance & Leasing Corp. to wire transfer the monies as follows at closing:

Destination Information:

| | |
|-----------------|---------------------------------|
| Bank Name | <u>SunTrust Bank-Richmond</u> |
| Bank ABA Number | <u>061000104</u> |
| Account Number | <u>9443001321</u> |
| Account Name | <u>Escrow Services Richmond</u> |
| Attention | <u>Matt Ward 804-782-7182</u> |
| Dollar Value | <u>\$417,452.00</u> |
| Reference | <u>Pleasant Grove City, UT</u> |

Lessee warrants the funds are for deposit into the Proceeds Account. Moneys on deposit in the Proceeds Account shall be used solely for payment of the Equipment and for no other purpose.

Pleasant Grove City, UT,
Lessee

By: _____
Name: Bruce Call
Title: Mayor
Date: _____

Pleasant Grove

Utah's City of Trees



EXHIBIT E

November 6, 2013

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.
300 East Joppa Road, 7th Floor
Towson, Maryland 21286

Re: Master Lease Agreement dated as of July 11, 2011 (the "Agreement") by and between **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.** ("Lessor") and **PLEASANT GROVE CITY, UT** ("Lessee")

Ladies and Gentlemen:

I have acted as counsel to Lessee with respect to the above-referenced Agreement and related matters, and in this capacity have reviewed a duplicate original or certified copy of the Agreement and Equipment Schedule No. 03 executed pursuant thereto (together with the Agreement, the "Lease") and the Escrow Agreement dated as of November 6, 2013 between Lessor, Lessee and SunTrust Bank, as escrow Agent (the "Escrow Agreement," and together with the Lease, the "Financing Documents"). The terms capitalized in this opinion but not defined herein shall have the meanings assigned to them in the Lease. Based upon the examination of these and such other documents as we have deemed relevant, it is our opinion that:


1. Lessee is a political subdivision of the State of Utah (the "State") within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended, and is duly organized, existing and operating under the Constitution and laws of the State.
2. Lessee is authorized and has the power under applicable law to enter into the Financing Documents, and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Financing Documents have been duly authorized, executed and delivered by and on behalf of Lessee, and are legal, valid and binding obligations of Lessee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.
4. The authorization and execution of the Financing Documents and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public records, public bidding and all other laws, rules and regulations of the State.
5. The execution of the Lease and the obligation to pay the Rental Payments coming due thereunder do not and will not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
6. There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body that challenges the organization or existence of Lessee, the authority of Lessee or its officers or its employees to enter into the Financing Documents, the proper authorization and/or execution of the Financing Documents or the documents contemplated thereby, the obligation of Lessee to make Rental Payments under the Lease, or the ability of Lessee otherwise to perform its obligations under the Financing Documents and the transactions contemplated thereby. To the best of our knowledge, no such litigation, action, suit or proceeding is threatened.

7. The Equipment is personal property, and when used by Lessee will not be or become fixtures under the laws of the State.

8. Resolution No. 2013-043 of the governing body of Lessee was duly and validly adopted by such governing body on November 6, 2013, and such resolution has not been amended, modified, supplemented or repealed and remains in full force and effect.

This opinion may be relied upon by the addressee hereof and its successors and assignees of interests in the Lease, but only with regard to matters specifically set forth herein.

Very truly yours,

A handwritten signature in cursive script that reads "Christine M. Petersen".

Christine M. Petersen
Pleasant Grove City Attorney